DOCUMENT RESUME

ED 069 332 PS 005 795

TITLE	Headstart, Child Development Legislation, 1972. Joint Hearing before the Subcommittee on Children and Youth and the Subcommittee on Employment, Manpower, and Poverty.
INSTITUTION	Congress of the U.S., Washington, D.C. Senate Committee on Labor and Public Welfare.
PUB DATE	Mar 72
NOTE	634p.; U.S. Senate, Ninety-Second Congress, Second Session
AVAILABLE FROM	Subcommittee on Children and Youth; Room 506, Senate Annex, U.S. Senate, Washington, D.C., 20510 (no charge)
EDRS PRICE	MF-$0.65 HC-$23.03
DESCRIPTORS	*Disadvantaged Youth; *Economically Disadvantaged; Educational Development; *Educational Opportunities; *Federal Legislation; Poverty Programs; Youth Employment
IDENTIFIERS	Headstart Program

ABSTRACT

A Joint Hearing before the Subcommittee on Children and Youth, and the Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare are presented. The purpose of this hearing on S. 3193 is to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes. The hearing on S. 3228 aimed to strengthen and expand the Headstart program, with priority to the economically disadvantaged; to amend the Economic Opportunity Act of 1964. (RG)

ED 069332

U. S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

PS 005795

[redacted]

HEADSTART, CHILD DEVELOPMENT LEGISLATION, 1972

JOINT HEARING

BEFORE THE
SUBCOMMITTEE ON CHILDREN AND YOUTH
AND THE
SUBCOMMITTEE ON EMPLOYMENT,
MANPOWER, AND POVERTY
OF THE
COMMITTEE ON
LABOR AND PUBLIC WELFARE
UNITED STATES SENATE
NINETY-SECOND CONGRESS
SECOND SESSION
ON

S. 3193

TO PROVIDE FOR THE CONTINUATION OF PROGRAMS AUTHORIZED UNDER THE ECONOMIC OPPORTUNITY ACT OF 1964, AND FOR OTHER PURPOSES

S. 3228

TO STRENGTHEN AND EXPAND THE HEADSTART PROGRAM, WITH PRIORITY TO THE ECONOMICALLY DISADVANTAGED, TO AMEND THE ECONOMIC OPPORTUNITY ACT OF 1964, AND FOR OTHER PURPOSES

MARCH 27, 1972

Printed for the use of the Committee on Labor and Public Welfare

U.S. GOVERNMENT PRINTING OFFICE
77-616 O WASHINGTON : 1972

FILMED FROM BEST AVAILABLE COPY

COMMITTEE ON LABOR AND PUBLIC WELFARE

HARRISON A. WILLIAMS, Jr., New Jersey, *Chairman*

JENNINGS RANDOLPH, West Virginia
CLAIBORNE PELL, Rhode Island
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
WALTER F. MONDALE, Minnesota
THOMAS F. EAGLETON, Missouri
ALAN CRANSTON, California
HAROLD E. HUGHES, Iowa
ADLAI E. STEVENSON III, Illinois

JACOB K. JAVITS, New York
PETER H. DOMINICK, Colorado
RICHARD S. SCHWEIKER, Pennsylvania
BOB PACKWOOD, Oregon
ROBERT TAFT, Jr., Ohio
J. GLENN BEALL, Jr., Maryland
ROBERT T. STAFFORD, Vermont

Stewart E. McClure, *Staff Director*
Robert E. Nagle, *General Counsel*
Roy H. Millenson, *Minority Staff Director*
Eugene Mittelman, *Minority Counsel*

Subcommittee on Employment, Manpower, and Poverty

GAYLORD NELSON, Wisconsin, *Chairman*

EDWARD M. KENNEDY, Massachusetts
WALTER F. MONDALE, Minnesota
ALAN CRANSTON, California
HAROLD E. HUGHES, Iowa
ADLAI E. STEVENSON III, Illinois
JENNINGS RANDOLPH, West Virginia

ROBERT TAFT, Jr., Ohio
JACOB K. JAVITS, New York
RICHARD S. SCHWEIKER, Pennsylvania
PETER H. DOMINICK, Colorado
J. GLENN BEALL, Jr., Maryland

Richard E. Johnson, *Professional Staff Member*
John K. Scales, *Minority Counsel*

Subcommittee on Children and Youth

WALTER F. MONDALE, Minnesota, *Chairman*

HARRISON A. WILLIAMS, New Jersey
JENNINGS RANDOLPH, West Virginia
EDWARD M. KENNEDY, Massachusetts
GAYLORD NELSON, Wisconsin
ALAN CRANSTON, California
ADLAI E. STEVENSON III, Illinois

ROBERT TAFT, Jr., Ohio
RICHARD S. SCHWEIKER, Pennsylvania
BOB PACKWOOD, Oregon
J. GLENN BEALL, Jr., Maryland
JACOB K. JAVITS, New York

A. Sidney Johnson III, *Professional Staff Member*
John K. Scales, *Minority Counsel*

CONTENTS

CHRONOLOGICAL LIST OF WITNESSES

MONDAY, MARCH 27, 1972

Page
Buckley, Hon. James L., a U.S. Senator from the State of New York 2
Meers, Dale, psychoanalyst, social worker, research associate, Children's Hospital, Washington, D.C., and faculty member, Baltimore-District of Columbia Institute for Psychoanalysis 3
Van Den Haag, professor of social philosophy, New York University 15
Caldwell, Dr. Bettye, professor of elementary education and director of Center for Early Development and Education, Little Rock, Ark., and Dr. Milton J. E. Senn, Sterling professor emeritus, pediatrics and psychology, Yale University 22

STATEMENTS

Buckley, Hon. James L., a U.S. Senator from the State of New York 2
Caldwell, Dr. Bettye, professor of elementary education and director of Center for Early Development and Education, Little Rock, Ark., and Dr. Milton J. E. Senn, Sterling professor emeritus, pediatrics and psychology, Yale University 22
Meers, Dale, psychoanalyst, social worker, research associate, Children's Hospital, Washington, D.C., and faculty member, Baltimore-District of Columbia Institute for Psychoanalysis 3
Van Den Haag, professor of social philosophy, New York University 15

ADDITIONAL INFORMATION

Article, publications, etc.:
  "What Happens to Children in Day Care?" by Bettye M. Caldwell, Department of Education, College of Education, University of Arkansas, Fayetteville, Ark 31
Communications to:
  Johnson, A. Sidney, III, staff director, Subcommittee on Children and Youth, Committee on Labor and Public Welfare, from Milton J. E. Senn, Yale University Child Study Center, New Haven, Conn., April 8, 1972 61

APPENDIX I

Text of:
  S. 3193 65
  S. 3228 204
Articles, publications, etc.:
  "Disadvantaged Children, What Have They Compelled Us To Learn?" by Julius B. Richmond, Department of Pediatrics, State University of New York, Upstate Medical Center, Syracuse, N.Y 304
  "Psychoanalytic Research and Intellectual Functioning of Ghetto-Reared Black Children," by Dale R. Meers, Department of Psychiatry, Children's Hospital of the District of Columbia, Washington, D.C 405
  Senate Document 92-48—Veto Message—Economic Opportunity Amendments of 1971, December 10, 1971 322
  "Traumatic and Cultural Distortions of Psychoneurotic Symptoms in Black Ghetto," by Dale R. Meers, Department of Psychiatry, Children's Hospital of the District of Columbia, Washington, D.C 438

Charts:
  Psychoanalytic Research, Children's Hospital, Washington, D.C.:
    Incidence of Reported Crime: District of Columbia Police, Carney Blocks—January–December 1970 .... Page 393–404
Communications to:
  Buckley, Hon. James L., a U.S. Senator from the State of New York, from Hon. Gaylord F. Nelson, chairman, Subcommittee on Employment, Manpower, and Poverty, U.S. Senator from the State of Wisconsin, and Hon. Walter F. Mondale, chairman, Subcommittee on Chiildren and Youth, a U.S. Senator from the State of Minnesota, March 16, 1972 388
  Johnson, A. Sidney III, Senate Subcommittee on Children and Youth, from Diane B. Trister, education specialist, Model Cities, National Capital Area Child Day Care Association, Inc., April 14, 1972 291
  Mondale, Hon. Walter F., a U.S. Senator from the State of Minnesota, chairman, Subcommittee on Children and Youth, Committee on Labor and Public Welfare, from:
    Meers, Dale R., department of psychiatry, Children's Hospital of the District of Columbia, Washington, D.C., March 31, 1972 389
    O'Grady, Jane, legislative representative, Amalgamated Clothing Workers of America—AFL–CIO, Washington, D.C., April 4, 1972 277
    Whitehead, Donald W., Federal Cochairman, the Appalachian Regional Commission, Washington, D.C., April 12, 1972 (with enclosure) 297
  Nelson, Hon. Gaylord, a U.S. Senator from the State of Wisconsin, chairman, Subcommittee on Employment, Manpower, and Poverty, from:
    Benson, Mrs. Bruce B., president, League of Women Voters of the United States, Washington, D.C., April 4, 1972 278
    Edelman, Marion Wright, Washington Research Project Action School, Washington, D.C., March 30, 1972 275
    O'Grady, Jane, legislative representative, Amalgamated Clothing Workers of America—AFL–CIO, Washington, D.C., April 4, 1972 277
    McFarland, Stanley J., assistant executive secretary for government relations, National Education Association, Washington, D.C., March 30, 1972 (with attachment) 272
    Pearle, Lynn, legislative representative, Americans for Democratic Action, Washington, D.C., April 5, 1972 283
  Pavenstedt, Dr. Eleanor, Tufts-Columbia Point Health Center, Dorchester, Mass., from Dale R. Meers, department of psychiatry, Children's Hospital of the District of Columbia, Washington, D.C., March 28, 1972 391
  Williams, Hon. Harrison A., Jr., chairman, Committee on Labor and Public Welfare, from Raymond F. Collins, administrative secretary, Emergency Committee for Children, Washington, D.C., March 7, 1972 387
Prepared statements:
  Height, Dorothy I., national president, National Council of Negro Women, Inc., Washington, D.C., prepared statement 284
  League of Women Voters of the United States, prepared statement 280
  National Council of Jewish Women, New York, N.Y., prepared statement 286
  National Welfare Rights Organization, testimonial statement 293
  Riechman, Rosalie, the Women's International League for Peace and Freedom, prepared statement 296
  Whitehead, Donald W., Federal Cochairman of the Appalachian Regional Commission, prepared statement 298

APPENDIX II

Introductory remarks on Senate Floor:
  Hon. Walter F. Mondale (February 17, 1972, on S. 3193) 465
  Hon. Jacob K. Javits (February 24, 1972, on S. 3228) 509

APPENDIX III

S. 3617, text of 516
S. Report 92–793 595

HEADSTART, CHILD DEVELOPMENT LEGISLATION, 1972

MONDAY, MARCH 27, 1972

U.S. Senate, Joint Hearing Before the
Subcommittee on Children and Youth, and the
Subcommittee on Employment,
Manpower, and Poverty of the
Committee on Labor and Public Welfare,
Washington, D.C.

The Joint Committees met, pursuant to notice, at 10:00 a.m. in room 4232, New Senate Office Building, Senator Walter F. Mondale (chairman of the Subcommittee on Children and Youth) presiding.

Present: Senator Mondale.

Staff members present: A. Sidney Johnson, professional staff member; Richard E. Johnson, professional staff member; and John K. Scales, minority counsel.

Senator Mondale. The committee will come to order. We are holding, at the request of Senator Taft, a one-day hearing on child development legislation generally, and S. 3193 and S. 3228 specifically.

These bills are revised and modified versions of the child development legislation vetoed by President Nixon last December. S. 3193 was authored by myself, Senator Nelson, and 12 other Democratic Senators.

S. 3228 was introduced by Senator Javits, Senator Taft, Senator Schweiker, Senator Stafford, Senator Packwood and nine other Republican Senators. We hope to begin marking up this legislation in committee very shortly. At Senator Taft's suggestion, we called this hearing to give the administration an opportunity to comment on this revised legislation. Regrettably they are unable to appear today.

Several other witnesses, some of whom have been critical of this proposal, will be here this morning. I sincerely hope that today's hearings will provide an opportunity to examine the various issues underlying this proposal. I hope it will provide a forum for reasonable examination of some of the criticisms which we have heard concerning this proposal.

Our first witness this morning is Senator James L. Buckley, who I understand will introduce Mr. Meers and Dr. van den Haag. Mr. Meers was recommended to the committee by Senator Buckley, and Dr. van den Haag was designated by the Emergency Committee for Children to represent its views before the committee.

I understand that Senator Javits, who is a member of this subcommittee, cannot be with us today. He very much wished to do so. He is in New York, but he very much wanted to have his best wishes extended.

STATEMENT OF HON. JAMES L. BUCKLEY, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator BUCKLEY. I would first of all like to thank you and other members of the committee for allowing me to join you today. I want to thank you for calling further hearings to enable those of us who have certain reservations about pending legislation in the area of day care centers to express our views.

The basic concern of this committee—the well-being of America's children—is a concern which we all share. Yet there is considerable controversy as to what in the long run will best enhance their well-being and as to what may, in fact, be harmful to it.

Today we are fortunate even to have with us two most knowledgeable and highly respected authorities whose learning and experience will, I believe, add much of value to the discussion—Mr. Dale Meers and Prof. Ernest van den Haag.

Mr. Meers is a child psychoanalyst affiliated with Children's Hospital here in Washington and with the Baltimore-District of Columbia Institute for Psychoanalysis, where he is a member of the faculty in the field of child development. Mr. Meers has been concerned with and involved in the study of day care centers, especially for disadvantaged children, since 1964, when he joined a research project investigating the "prevention of culturally determined retardation" which was funded by the National Institute of Mental Health and the American Public Health Association.

In 1965 he visited countries in Eastern Europe and elsewhere and studied their day care systems. In 1967, in recognition of his work in the field of child care, the U.S. Public Health Service sponsored Mr. Meers in a scientific exchange program with the Soviet Union, where he did extensive research on their day care center system, concentrating on the social and psychiatric aspects of early day care.

His research culminated in a paper coauthored with Dr. Allen Marans entitled "Group Care of Infants in Other Countries," published in 1968, and in a later paper written at the request of the Office of Economic Opportunity entitled "International Day Care: A Selective Review and Psychoanalytic Critique."

Mr. Meers brings to this committee an extensive background in the study of day care centers, a wealth of practical and clinical experience with the problems of disadvantaged young children, and a lifelong commitment to their well-being.

It is a pleasure to introduce Mr. Meers to the committee.

Dr. Ernest van den Haag is currently professor of social philosophy at New York University and lecturer in sociology and psychology at the New School for Social Research in New York City. He is a member of many professional organizations and was a Guggenheim fellow and a Freud memorial lecturer. A psychoanalyst in private practice, he is the author of four books and about 70 articles in learned journals and perhaps a dozen chapters in books edited by others. His work has been concerned with many kinds of sociopsychological problems, including the rearing of infants and children.

I have known Dr. van den Haag well for a number of years, and have developed the greatest respect not only for his scholarship, but for his great good sense.

Senator MONDALE. Thank you, Senator Buckley. Mr. Meers, please proceed in your own way.

STATEMENT OF DALE MEERS, PSYCHOANALYST, SOCIAL WORKER, RESEARCH ASSOCIATE, CHILDREN'S HOSPITAL, WASHINGTON, D.C., AND FACULTY MEMBER, BALTIMORE-DISTRICT OF COLUMBIA INSTITUTE FOR PSYCHOANALYSIS

Mr. MEERS. As an introduction I would note my ambivalence in accepting an invitation to testify on daycare legislation. My professional research commitments are essentially clinical and my past evaluations of daycare were incidental, if not fortuitous. But it appears that my work and observations have been unusual in that I have observed daycare from the point of view of its impact on psychiatric vulnerability. In 1971, a majority of Congress, and a range of other experts clearly stated their approval of early daycare. If a majority vote could make group care of young children psychiatrically safe, I would be most pleased. The good intentions and enormous labor that have gone into your deliberations on daycare leaves me hesitant to criticize. Yet, as presently presented, and I refer hereafter primarily to S. 3193, the proposed daycare legislation contains a range of contradictions and dangerously false assumptions.

I received a long distance telephone call from a national TV program researcher last week who wondered if she had reached the right person, i.e., she asked if I was the person who was against daycare. I would assure you, as I did that lady, I am no more against daycare than I am against birth defect clinics, morphine for surgical patients or methadone for heroin addicts. Group daycare is needed today, and urgently so, because of other failures in our social institutions. There are clear and explicit dangers in early group care and such service should be developed and administered with a clear understanding of the risks that are attendant on its misuse.

For the past eight years I have worked with three research projects, all of which have concerned our inner city black families and the vulnerability of their children to intellectual and psychiatric damage. I am convinced that intellectual dysfunction and academic retardation of the ghetto reared child is directly related to his exposure to early and continuing traumatizations. My present research has extended to a representative sample of 26 families in the inner city. It is dramatically clear that even sever psychopathology goes undiagnosed, and of course untreated. I wish to emphasize here that the needs of the children of our inner city families are greater, far greater than this legislation assumes.

I am both a psychoanalyst and a social worker. My concerns for the impact of malignant environments on the mental health and intelligence of children has extended over almost two decades. Skeels' controversial and exciting research on the reversibility of retardation via modifications in environments, and Kanner's contrasting studies on the brilliance of autistic, psychotic children of gifted families were particularly influential in my own research.

My concern for the total lack of psychoanalytic treatment for disadvantaged black children led to my affiliation, in 1964, with Children's Hospital and my subsequent research work there. My interest in daycare derived directly from research sponsored by NIMH. Our planning began with the idea that early daycare might prove both a valuable service to the inner city family and also a vehicle through which childhood retardation might be reversed. Eight years ago I would have been unreservedly supportive of daycare for the very young.

It is rare that psychoanalysts or psychiatrists have direct concerns for normal populations of children, i.e., other than as consultants or researchers. We are more accustomed to treatment of existing forms of psychopathology and to the exploration of the causes of types of illness. Intrigued by Bronfenbrenner's accounts of Soviet experiences with early child care, and further challenged by a USSR text bequeathed us by Professor Zaporozhets in 1964, I began a literature review and corresopndence with child development staff and researchers in East Berlin, Prague, Budapest, and later Moscow. In two separate trips I reviewed an extended range of daycare and institutional facilities, under most auspicious sponsorship. My colleague, Dr. Allen Marans, studied daycare in Paris, Israel, and Athens in 1963. From such studies and from a more direct experience in Washington, I became increasingly concerned again that the use of early daycare was fraught with psychiatric dangers that are as severe as those of the latch-key child of the streets.

Legislative Aleternatives: I gather that there are several daycare bills that are in different stages of consideration. I am not familiar with their differences, though I understand that they vary enormously. I wil restrict myself to S. 3193.

I have been advised by well intentioned colleagues and friends that I might be stigmatized by accepting Senator Buckley's invitation, and that my critical testimony would be used to damage this legislation. I think I am more experienced and exploitive than exploited since my intent is to underscore inherent limitations of this bill so that they might, hopefully, be remedied before this bill is considered by the Senate. There are several aspects of this bill that I think are clinically dangerous. I have been advised that this committee has accepted an ambiguous recommendation by the Joint Committee on Mental Health of Children as indicating that the field of psychiatry sees no danger in early daycare. The Joint Commission recommended "the creation of high quality, universally available pre-school education and day care programs which are continuous, based on sound knowledge of child devleopment." That recommendation represents a compromise between good intentions and professional ignorance. Daycare programs are not and cannot be based on "sound knowledge of child development" because of the simple fact that we have only limited data on the impact of surrogate group care on early development, and such psychiatric data as is available is anything but reassuring.

This recommendation of the Joint commission needs to be directly juxtaposed to its other recommendations on research, vis. that "there is a drastic need for longitudinal studies of human development; multivariate research; and for more epidemiological studies. It is apparent that those who drafted this legislation could not have been oblivious to some sense of danger since Sec. 551–552, which provides for research, clearly implies the obvious, vis. that little enough is known of the impact of group care on normal psychological maturation at this time.

Any casual observer of the inner cities of Appalachia and our migrant workers will appreciate that the needs of our damaged families and their distressed children is now. They cannot wait for the evidence of research which is necessarily protracted over many years. Given the fact that particular distressed families merit the earliest of relief, it does not follow, however, that it is in any way desirable that otherwise adequate families should be led to believe that early day care is necessarily safe for their youngsters.

THE RISKS OF EARLY DAY CARE

It is salient to recall the severity of damage that can derive from depersonalization of infant care. I quote here from a paper prepared by my former colleague, Dr. Allen Marans, from our NIMH study:

> In 1908, Dr. Henry Chapin, who later conceived the foster home idea, published his observations on "atophic" infants who had been in institutional settings for a long period of time. In 1915 at the annual meeting of the American Pediatrics Society, the high institutional mortality of infants was discussed. Chapin discussed ten infant asylums located in different cities of the United States. In all but one institution every infant under two years of age died. Among those who discussed Chapin's paper was Dr. Knox, who described a study of which he had made in Baltimore. Ninety percent of 200 infants admitted to various institutions in the city died within a year. He attributed the survival of the remaining ten percent to the fact that they were removed from the institution for short times and given the care of foster parents and relatives.

Chapin's "atrophic" disability is better known by the name of marasmus. It is rarely found today in modern facilities, but it took some twenty years of research to convince our established institutions and concerned legislatures to evacuate infants from such care—and we still see residual resurgences of infants placed in institutions even in this city, vide Junior Village.

The research of the 1920's clarified that marasmatic deaths could be avoided by TLC. But in its place a lesser but more insidious malady soon became evident. Psychobiological failures that are manifest in apathy, motoric and intellectual retardation appeared commonly in hospitals. The dysfunction was labeled "hospitalism". The term is a guilt reducing misnomer in that the label implies that a physical setting is responsible rather than a failure in human nurture. Levy, Spitz, and Bowlby extended the clinical study of forms of developmental failures and depression in small children separated from parents. Studies on material and affective deprivation have questioned, time and again, that typical accommodations include mild retardation and sociopathic and psychopathic personalities.

I know of few researchers who dispute the probability that mild to severe developmental failures do derive from "institutionalization". What is usually argued, however, is that institutionalization syndromes are an all or nothing matter. If true, and if the pathologies were only a consequence of longterm separations from a family, then such findings would be irrelevant to daycare.

Children reared by their own families within institutional walls do not suffer from developmental insults. The problem is one of hu-

PS 005795

man relatedness, of an invested child-parent interaction, an emotional engagement that blossoms into a love affair with life. For the infant who spends the predominance of his waking hours in group daycare, relationships are fractured. The U.S.S.R. and the East European nations appear to have some 50 percent of their preschool children now in daycare. It is clear that they are concerned about the prospects of "hospitalism" in their centers, and Professors Tur, Aksarina, and Schelovanova are notable for their technical innovations now in child management (that are introduced to avoid the malady.)

I gather from rereading one of Dr. Caldwell's papers that she and her staff were also concerned, that they restricted their child placements to babies *over* 6 months and most of their study population had started *after the age of 1*. I was advised by a member of your staff that the child ratio to adult caretaker had been reduced in this bill by 50 percent, that is from eight children per adult to four or five per adult. If those who drafted this change were secure in the idea that group daycare was not potentially hazardous, why should the ratio be kept low?

The point I wish to stress is that in attempting to remedy known ills of street-corner day care, present legislation can inadvertently supplant one malady with another that is equally severe. Early day care is not an unmixed blessing, yet this legislation infers that day care is desirable, rather than specifically remedial.

In August of 1967 I sat in the Budapest office of Mrs. Magda Lazlow, an ageless, powerful woman whose gnarled face seemed almost more communicative than her interpreter. Mrs. Lazlow, as best I could understand, was the Director of the Hungarian Bureau of Child Care. My interpreter was a pediatrician who had difficulty conveying my research interests. In an exchange with her colleagues, Mrs. Lazlow nodded with evident whimsey as she made some pronouncement. As her colleagues smiled in response, I wondered about the exchange. My interpreter, with some embarrassment, replied that it was Mrs. Lazlow's reflection on a Hungarian proverb that had somewhat the same meaning as "coals to Newcastle." The allusion quite escaped me and I asked for clarification. Mrs. Lazlow then detailed her early involvement in day care, at a time when the war made day care a literal matter of survival.

The aftermath of the war brought such further economic hardships that it was essential to have the labor of all healthy adults. Day care continued as an economic necessity that simply outweighed the obvious pain and suffering of the youngsters in such care.

Mrs. Lazlow concluded that it was their intent to limit day care for children under the age of 3 as quickly as economics permitted. Her surprise over my research interests derived from the fact that the United States was accepted as the richest Nation in the world. Why then should the most affluent of nations wish to inflict on itself something that they, among the poorest in Europe, were trying to rid themselves of?

Such concerns derived from humanitarian motives, and were quite similar to those that sustained the research of Langmeier and Matejcek in Czechoslovakia. In updating my data for my 1971 OEO paper on day care, I corresponded with researchers in Prague, and elsewhere. Despite the Stalinization of the government, to my surprise the research on the distress of young children in day care had sufficed that Czechoslovakia had reversed its national policy and was actively dissuading its citizens, by national TV, from further placements of children under the age of 3.

I would like to emphasize in this context, that such attitudes towards daycare were based on humanitarian concerns, and not on research related to psychological impairments or psychiatric symptomatology. Communist nations are as misguidedly dedicated to Pavlov in matters of psychiatry as they have been to Lyschenko in agronomy. Research on the effects of social institutions was forbidden by law in the USSR and in Czechoslovakia; the question of psychiatric consequences has been almost totally ignored. In my own study and observations of Communist centers, I was singularly depressed by what I saw, so much so that it seemed inane to continue to photograpgh room atfer room, center after center of passive and despondent youngsters. In speaking with staff about the age at which different children had entered particular daycare centers, it seemed to me that one could visually discern direct relationships between the passivity and the length of time the children had been enrolled.

Psychoanalytic experience over the past seventy years has contributed a considerable literature on the vulnerability of the young to psychiatric damage. The younger the age at which excessive accommodation is demanded, the more severe the psychobiological outcome. I have heard advocates of early daycare urge that since it is not possible to demonstrate that severe pathology necessarily results from such care, that there are no grounds for opposing it. The speciousness of such a contention is evident if one asks if such a criterion should have been applied to Thalidomide.

As I understand S. 3193, it would support, and implicitly encourage, intact families with particular income levels to use daycare. The popular media has extended the erroneous notion, which was implicit in Senator Mondale's previous 1971 bill that daycare offers some educational advantages. I do not understand where this idea originated, though I once shared it as a prejudice. The USRS does not try to use day care as an educational vehicle; indeed, that country initiates its educational efforts a year later than we do in our public schools.

While I have heard daycare offered as a remedial effort, one that is programmatically related to Head Start, I do not know of documented successes. Dr. Caldwell's paper, "Infant Day Care and Attachment" states that her data showed that it was possible to devise programs which *circumvent developmental decline*, and since she is here today, I would be interested in learning if she would cite published studies that document that such declines have been reversed in later school years.

Let me summarize my objectives to this bill:

1. It infers that there is no danger in early daycare, which I think is singularly untrue;
2. In failing to designate that daycare is remedial in its intent, the legislation infers that intact families can securely use such facilities; and
3. Since daycare is only remedial at best, it bypasses the basic problem of prevention.

I would like to extend the latter point by recalling Senator Mondale's conclusion that something occurs within the disadvantaged family that stunts and cripples the minds and motivations of their children. Referring to the greater advantages of middle class families, Senator Mondale contrasted the higher level of functioning of their children. If it is true that secure families can produce brighter and healthier children, and if it is true that daycare is simply a way to "circumvent developmental decline," then daycare is simply not enough. The major problems that beset the inner city family are extended, chronic and severe. They are not only familial, but are a function of failures of the community to effectively insure adequate housing, protection from incipient and chronic violence, employment security, and so forth.

I am certain the Senator knows this better than I do, and my point here is that daycare has particular value if used appropriately. But if it is oversold like Headstart, or if it is inadequately funded and structured, then failures will be inevitable and a worthwhile, albeit limited, service may be needlessly discredited.

STAFFING AND FINANCING OF DAYCARE

If daycare were to be limited to only those families that could not provide adequately for the developmental well being of their children, there would still remain particular problems of organization and staffing essential to the psychiatric health of the children. All child care programs that I know of internationally, including those of the Kibbutzim, have had chronic problems in obtaining and keeping appropriate staff. The Mondale bill contains a most interesting staffing possibility, viz. that of recruiting and educating parents who might use the centers. The notion is innovative and seductive, but I fear that it is both impractical and ill advised.

Those families who have greatest need for protective and supportive help via daycare are the least able to invest themselves. Many such women are clinically depressed, many are physically exhausted, and the failures they have experienced with their own children leave them ill prepared to participate. I suspect that those who drafted this provision were concerned with costs, and concluded that an economy might be realized by use of families or volunteers. I would also conjecture that some well intentioned, clinically minded aides might see in this provision a type of group education for distressed mothers. If so, the sponsors of this provision grossly underestimate the severity of depression and overwork of our most needful black mothers.

My earlier experience with Washington, D.C.'s Capitol Day Care Association left me singularly impressed that those self-conscious and active women who fought for daycare did so to obtain better supervision for their youngsters so that the mothers could be free to obtain the best paying jobs possible. I cannot imagine such ladies accepting the part time, low paid employment if they could help it.

Daycare is expensive if it is to be oriented and directed effectively. The most apparent reasons for the high rate of staff turnover in other countries appears to be the fact that daycare staff have been paid less than competitively. As a second and dramatically important consideration to the children, when adult-to-child ratios go as high as eight or ten children to one adult caretaker, then childhood distress increases astronomically. In the face of continuous childhood distress, empathic and emotionally responsive women experience sufficient pain themselves that they do not continue in such employment. If we are to have effective daycare that minimizes depersonalization of young children, then staff ratios must be kept low, and the five to one ratio of this bill may still be too high.

The costs of such centers and such staffing is very high. The estimates of cost per child of $1600, when compared to Communist data, appears less than half of what will be needed. Let me recall that the children we are concerned with suffer quite disproportionately from personal injuries, illnesses and familial problems that make their care all the more problematic. If Congress is loath to expend a greater amount of money for any particular fiscal year, it is better by far to limit the intake of children so that they can be adequately cared for than it is to extend the service by cutting the cost per child. The latter course, it seems to me, is certain to cripple daycare, if other problems do not.

MORALITY, IDEOLOGY AND THE STRUCTURE OF SOCIETY

I gather from a speech of Senator Buckley's that he is deeply concerned about an indirect assault on the conventions of the family by those who purport to be experts in child care. I can easily understand the source of his concern. In a position statement intended as a response to the recommendations of the Joint Commission on Mental Health of Children, a group of prominent educators have noted their conviction that the conventional family is abandoning its role in moral education and that the educator is prepared to fulfill this function as the child is exposed to ever earlier educational direction.

Dr. Caldwell and her associates go even further, and echo Bronfenbrenner's conclusions on the ideological orientation of Soviet daycare. In the Caldwell paper previously mentioned there is a most exceptional judgment. The authors are disarming in first noting, "When we talk about 'group care for infants' it is easy to have it sound as though we are proposing something radically deviant for the children." If they do not believe that their next idea is not radically deviant, I would surely like to know what would qualify for that label. That quotation continues:

> **In the Western world of today with its ticky-tacky houses, Dick and Jane and mother and dad readers, and our carefully nurtured concern for territoriality and for mine and yours, it is easy to forget that historically speaking, and right up until recent times, group care was the species pattern for infants and children of Homo Sapiens.**

Two sentences later, they conclude, rhapsodasically, that in extended family settings that daycare approximates, there is never a question about who belongs to whom. Bronfenbrenner, it should even be added, has probably exacerbated concerns such as those of Senator Buckley by his conclusions that daycare is a deliberate Soviet vehicle for passing by the family to educate the new Communist Man.

In my observations of the functioning of Communist systems, I could never find substance to the idea that group daycare could ever be effective in inculcating ideological views. The problems of day to day management in the best of centers give rise to exhausted staff and a constant struggle to maintain the system. I am less than troubled by those who would see daycare as a vehicle for purposeful modification of the family and our social system. But I am most concerned that the conditions of group care may lead to inhibitions in independent functioning as an inevitable consequence of early conditioning. If social disaster is to come insidiously through massive programs in childhood experiments, then it will come, I am convinced, via depersonalization, subtle developmental failures in personality structure, and in marginal intellectual capabilities.

I will conclude my comments with one brief vignette. Our interpreter in Leningrad, Mr. Boris Lavitman, was a rather remarkable young man who happened fortuitously to be the director of the city's staff of professional interpreters. Mr. Lavitman courteously translated, time and again, a range of sociocultural questions that, as he later noted, struck him as odd because they appeared so distant from the subject of daycare. Over vodka on a very cold day, when we were concluding our study with a lunch, Mr. Lavitman confided that he had been talking with his wife (who suffered, incidentally, from a severe claustrophobia) about the long-range consequences of daycare that I was concerned with. He and his wife had reviewed the number of married couples they knew personally, and the total was something like 50. Both Mr. Lavitman and his wife had each been married three times and they had two children. Of the 50 couples they knew, only one or two had not been married three times—and they estimated that the average number of children per couple was about one per family. As survivors of the siege of Leningrad, both of these adults had been reared in group daycare centers. They speculated, as I now do: Is there a relationship between early daycare and the adult's subsequent incapacity for family intimacy and constancy?

RECOMMENDATIONS

I cannot imagine that you would be prepared to revise existing bills on the basis of any one person's criticism. There are a number of eminent psychiatrists and psychoanalysts both here and abroad who have 20 to 40 more years of experience than I. Of those who are particularly distinguished in research on child development and psycopathology, I would recommend the following for your consideration: Dr. Rene Spitz, the University of Colorado; Dr. Margaret Mahler, Albert Einstein College of Medicine; Dr. Humberto Nagera, the University of Michigan; and Dr. Sally Provence, Yale University.

There are many distinguished psychoanalysts resident here in Washington. If your committee should wish to confirm the clinical views of the dangers of daycare for the very young, I would be pleased to provide a distinguished local roster.

I would repeat my conviction that effective daycare is urgently needed today—as a remedial program that with all its limitations is undoubtedly better than the neglect of our most disadvantaged children. But I would also urge as strongly as possible that daycare should be initially restricted to demonstration projects so that you, and the new profession of caretakers that follow, may have time to work out both programs and psychiatric evaluations of their effects.

This should be a basic precondition to the extension of daycare on any massive basis. While the types of psychopathology I have referred to may not be manifest until school age or later years, it is clearly possible to at least verify in the immediate future, the direct effect on health, developmental quotients, and socialization. Such research control, it is obvious, needs to be centralized in an authority independent of the centers themselves.

My task this morning has not been comfortable for me. I fully appreciate that your task in designing legislative programs is arduous, requiring a judicious weighing of alternatives and an assumption of responsibility that your critics are spared.

Thank you.

Senator **Mondale.** Thank you very much. Your statement is clear and direct. I gather that it is clear from your testimony that you think substantial numbers of children are being badly damaged in American life in the early years, and that you feel, if anything, the program which we have passed and which the President vetoed, understates and fails to understand the magnitude of that damage.

Is that correct?

Mr. **Meers.** Correct.

Senator **Mondale.** The question is, what do we do about it? What we did was to take the highest recommendations of the White House Conference on Children . . . this program which we presented was their strongest recommendation. We called on all the best minds we could find to set up a very broad coalition of concerned Americans. The list of those organizations is in the record, 20 or 30 organizations, religious groups, education associations, civil rights leaders, etc.

Then we also heard from the Joint Commission on the Mental Health of Children. Dr. Lourie testified for us.

Then we heard from a number of people like Mr. Sugarman and others in this field. We conducted 12 days of hearings over a 2-year period. We put together the best bill we could to try to help children in this area. One of the reasons I was so deeply interested in it is that I had spent years, not as a skilled technician, but just as an American, in migrant camps, the ghetto houses, and Indian reservations and the rest, and I came away appalled and heartsick over what was happening to so many of our children.

So we put together the best bill we could. Now, what specifically would you recommend as elements of adequate strategy to deal with the damage and the problems you are talking about, to give children a chance. What are the elements of your proposal?

Mr. **Meers.** Let me repeat that I agree with you completely with respect to the plight of our children in the migrant camps and in the inner city.

Senator **Mondale.** It is absolutely appalling, isn't it?

Mr. **Meers.** Most people can't really believe it. If they go in to look, they want to forget tomorrow because it is so ugly.

The issue here is not one of not wanting daycare, but having it set up in such a way that we don't replace one set of horrors with another. This you can see in an antiseptic hospital setting, i.e., children do not thrive. One can say, "That is only hospitalism." But I would suggest that if one looks at day care, and you might send one of your aides to

East Germany, Prague or Budapest, with a good camera, that it is amazing what paraprofessionals and professionals will do to children in the name of good care.

The children get caught up as vehicles between professionals who fight each other.

Senator **Mondale**. That is right. That is why we came down so heavily on parental participation and control, because we had testimony about the Soviet Union . . . about what they call parentectomy . . . where they cut the children off from the parents on some theory that the antiseptic specialists know best for children. I don't believe that for a moment.

Mr. **Meers**. They don't believe it, either.

Senator **Mondale**. The point is, we try to respond. Do you think it is fair to characterize what we are trying to do——

Mr. **Meers**. I think it is a mistake. I don't think anyone can do it.

Senator **Mondale** (continuing). With the Soviet Union? Do you think we are trying to duplicate the Soviet system in our bill?

Mr. **Meers**. No. But I think people are reading such inferences in the literature. The educators are not entirely wrong in their sense of faltering morality of the day; that is, one can be sympathetic with their view that children seem to lack moral direction on occasions. But I think what your critics pick up is that the educators see themselves as the new elite, that they are going to introduce new value systems.

What I am after in this is that you cannot get the active parents of the ghetto, for example, to contribute. The ones that I know of and have known for 8 years, the ones who are so competent they can work and work well, want to make it upwards. They want to get out. They are going to work as hard as they can.

They have families to take care of as well, i.e. they have a lot of work to do, and they cannot participate in the way this bill imagines. For the parents who do need it most, those parents who should have children out of the home, they are so distressed that they cannot function, and it is very questionable that they might also hurt other children by their own techniques of child management.

If you are talking about control of the centers, that is one thing. But if one expects to use such parents as staff, I don't think you are going to get the active, effective ones; and the ones who are not effective won't come.

With respect to what must be done with this legislation, the age question is probably the most important one. I would like to hear Dr. Caldwell speak on this later. The Soviet Union is concerned about age, and they argued that one time they would not accept children under the age of 1. Czechoslovakia has recently circumvented this problem by a national law which requires industry to pay any woman who works something like two-thirds or three-fourths salary per year, and guarantee her her job back for 3 years after she has left.

But the point is aimed at the early age which is the time of maximum psychiatric risk. In the U.S., we have available highly interesting, experimental study groups which have done a lot of work on this. But they have staff ratios of 4 to 1. If this legislation is going to go, then I think we ought to start in the central cities or migrant centers, or wherever else, starting small and working very carefully on staff development.

I know of no place where satisfactory programs to prevent retardation exist. Other countries are working on it, but no one has answered it. Yet this legislation assumes that the exeprts will produce answers right along the line. It isn't possible yet and this bill asks too much of our knowledgeability and our ability to test.

Senator **Mondale.** Well, one of the things that impressed us was Dr. Schaffer's work in the ghetto here in Washington. What do you think of that?

Mr. **Meers.** I don't know enough about it. He is going into the homes of parents. I have not seen his data. As I said, I am here only as a specialist.

Senator **Mondale.** You see, that is what we try to do, to hear from everybody who wants to testify. And, much as in the Schaffer project, this is not just a day care program; it is designed to help children, families, parents in the home.

Mr. **Meers.** My criticism is not addressed to anything but day care.

Senator **Mondale.** Yes. A lot of our bill is designed to help strengthen, work with, and assist families under this tremendous pressure of poverty in ways they wish to assist them to do a better job with their families. It is not limited to day care. It does not even place a priority on day care services.

Doesn't that make sense?

Mr. **Meers.** Again, no disagreement on such ideas except that I think they totally ignore how devastated the families are by things the families have little control over: e.g., women who have had 11 children, who are separated, are emotionally and physically exhausted. You can help them on an inter-personal basis.

Senator **Mondale.** I have been in those homes. I was in a home in Washington and saw a mother with 11 children, with no husband. It was unbelievably substandard and unsanitary. I think you ought to call it rotten housing. We had a doctor with us from NIH who identified 3 or 4 children suffering from malnutrition right there. And the thought of that family . . . they are still out there somewhere . . . haunts me.

What are the life chances of those children? The mother was obviously disconsolate, disoriented and overwhelmed by her environment. We were trying to respond to that sort of thing. What is your answer to that? What would you suggest be done?

Mr. **Meers.** I think that this legislation does not even begin to answer the question that you're referring to.

Senator **Mondale.** You are asking me a question. I want to know from you what you think we should do.

Mr. **Meers.** In this legislation? or beyond this legislation?

Senator **Mondale.** Why don't you write a bill for us this morning?

Mr. **Meers.** It would be a multiple bill, not just with day care. Crime on the streets alone——

Senator **Mondale.** Does ours have to do only with day care?

Mr. **Meers.** No, the provisions of your bill have to do with health services and people going into the homes, which I think are desirable. But they are not in any way preventative. What has happened happens because—I will mention one woman I know of who is concerned that she can't get the health department to close the vacant house next door, where her 3 year old goes in and eats plaster. Another child was raped on the street last week. One can you go on and on about the number of social problems in the community that contribute to the stress of mothers. I think an omnibus bill with money behind it like Vietnam, could do things for the inner city.

Senator **Mondale**. What would be the elements?

Mr. **Meers**. It is not unidimensional. One of the elements is the public welfare system, which cuts a woman off if she is going to be married. This means one-third of the women with 5 or 6 children will never get married because no man is going to assume responsibility for her children. If she has social security, then she is marriagable. But this means part of the public welfare laws underwrite separateness in family organization. There are so many contributing variables, e.g. the schools, the welfare laws, the public health service, the police, all of which are notoriously inadequate. I have seen mothers who had the guts to go into court rather than run away on unpaid bills, or trying to force housing people to correct things only to have the court finally say, "We have done everything possible, you ought to sue the city of Washington, D.C." We cannot make people correct housing problems in the area even where they don't provide heat and it is ten degrees below zero outside. We have the problem of Junior Village. Ghetto problems are so extended that it is difficult to respond. One could sit down and draft comprehensive legislation, but that goes far beyond what I planned to say. There are things Congress could do that I think would be important and helpful.

Senator **Mondale**. If you can't answer that question today, would you answer it in writing what you think should be done to make it the kind of bill you think it should be?

Mr. **Meers**. Yes, I would be pleased to do that.

I think that there are provisions which could be included in the bill under present consideration to make it viable and much more secure for the children concerned, that is, something that I could support with great comfort and I think all of my profession could back. When you say you have expert testimony and you have a range of professionals who have approved of this bill, I would conclude they have approved of it, despite its limitations, because of the plight of the children. But if you were to check today with the psychiatrists of the country, you would find that an extremely high percentage, over 75 percent, would be quite concerned with the very young age and the type of programs that this bill contemplates for the very young.

This is my primary concern, viz the age of the children that are anticipated in this bill. In Czechoslovakia in past years the government was saying day care was a fine thing and parents began to rush and knock on the door, at the very time that research was adding up to the fact that early day care was damaging. Even as the researchers started to publish, people were still knocking on the doors. If you give enough support with Federal authority, people buy programs. If you say it is good for the poor, the rich are going to say, "How about us?" And that, I think, is the second danger. This bill assumes early day care is a good thing rather than remedial.

Senator **Mondale**. All right. Will we receive your Meers' plan very soon?

Mr. **Meers**. Very well, very soon.

(The document had not been received by the time the hearing went to print. When received, it will be kept in the subcommittee files or included in a relevant committee print in the future.)

Senator **MONDALE**. Our next witness is Dr. Ernest van den Haag, Professor of Social Philosophy and Psychiatry, New York University, lecturer in psychology and sociology, the New School for Sociology, and a Representative of the Emergency Committee for Children.

STATEMENT OF DR. ERNEST VAN DEN HAAG, PROFESSOR OF SOCIAL PHILOSOPHY, NEW YORK UNIVERSITY

Dr. **VAN DEN HAAG**. Thank you, Senator. I appreciate the opportunity to be here and be heard.

My name is Ernest van den Haag. I am currently professor of social philosophy at New York University and lecturer in sociology and psychology at the New School for Social Research in New York City. I am a member of many professional organizations and was a Guggenheim Fellow and a Freud Memorial Lecturer. A psychoanalyst in private practice, I am the author of four books and about seventy articles in learned journals and perhaps a dozen chapters in books edited by others. My work has been concerned with many kinds of sociopsychological problems, including the rearing of infants and children.

I

The bills before this committee are meant to help children. Nobody could quarrel with this end. Unhappily, the preponderance of evidence indicates that the means proposed would harm children, perhaps irreparably. For these bills would lead to the progressive bureaucratization and depersonalization of child raising.

We are witnessing severe political struggles about the public schools and their control. People fight about teaching methods, teachers, curriculums, busing, and so forth. Students themselves have become so politicalized, and the authority of teachers so weakened, that the schools have become battlegrounds, with violence, drug addiction, and far too little learning. The bills before you do not intend such an effect; however, they seem likely to extend the politicalization and bureaucratization of children farther down the line—on the assumption that the Government knows how to provide "healthful and stimulating development" of children. If the Government has such knowledge it is a well kept secret of which the scientific community is quite unaware.

The major purpose of S. 3228 and S. 3193 is to take care of the children of working parents in day care centers federally funded and locally controlled. It is assumed (1) that the care to be given to children in the centers to be subsidized is as good or better, or not much worse, as the care now received at home; (2) that the parents cannot or should not be helped by alternative means to take care of their children; that the means proposed have been demonstrated effective and better than alternatives; and that the help proposed is needed; (3) that parents, particularly low income parents could not, or would not, or are not expert enough to provide for their children themselves. Obviously if low income alone were the trouble, if disinclination, ineptness, or malevolence, were not assumed, an income subsidy would be the remedy, and not Government-sponsored institutions; (4) that the provisions of these bills will not encourage parents to wantonly shift the upbringing of children to the Government, or to bring into the world children they are unwilling or unable to raise themselves.

II

Let me turn first to the last point (4). Most welfare measures in the past have made the mistake of assuming that we are dealing with a fixed quantity of cases to be subsidized. But usually the subsidy given tends to encourage and multiply the very situations being subsidized. The bills before you ignore this lesson and repeat this mistake. They will encourage, almost morally and materially entitle, women to bring children into the world when they are not, or not yet, willing or able to devote to their children all the time and effort needed. We should instead help such women not to have children, until, and unless, they do want children and are willing, ready, and able to bring them up themselves.

The problem addressed by the bills before you was generated not by increased poverty but by greater opportunity. At the turn of the century 4 percent of all married women were in the labor force. At the present time more than one third are—double the number of single women. The percentage of mothers of young children at work has steadily risen. Nearly one fourth of these mothers are now working. They entered the labor force as their family income increased. Their working is hardly due to direct economic pressure, although heightened aspiration may play a role. The trend developed first among middle class women when there was very little economic benefit: The cost of replacing the mother at home often offset her earnings outside. Apparently many mothers work largely because outside work is more interesting to them, or prestige bearing, than taking care of their children. The bills before you will permit families to shift more of the cost of child raising to the taxpayer. This will increase the net gain from the outside work of mothers.

I can see no reason for Congress to encourage or to morally legitimize this practice. Our society still can let women have as many children as they wish, if they enjoy bringing up children and can devote themselves to them and want to do so. But why should our society encourage women to have children unless they are willing and able to bring them up themselves? The United States is not underpopulated. Women who do not want to bring up children should be helped not to have children—not encouraged to have children when they cannot, or will not, take the time to bring them up. More is involved than the inequitable shift of the cost to the taxpayers: The upbringing provided outside the family by the care centers to be subsidized is unlikely to help us raise healthy children and likely to cause frequent psychological harm.

III

Let me turn now to points (2) and (3). Changes in circumstances, or motivations, may lead parents who intended to bring up their children themselves to delegate this task to others. How can we help these parents without increasing their number?

Many private institutions, formal and informal, now take care of these children. There is no reason whatsoever to believe that officially sponsored institutions would do any better, or will be less expensive, or will indeed have any advantage over present private arrangements. Experience indicates that the return on the dollars spent will be much less than at present, and the care given children more bureaucratized, the flexibility of institutions reduced. One need only compare present private and public schools in any major city.

The present arrangements range from neighborhood mothers taking care of each others' children to a variety of formal institutions. If and where help is needed it would be far better to help mothers make their own arrangements than to create a new layer of bureaucracy. Money could be allocated through presently existing social agencies to help insolvent parents to make whatever arrangements they prefer for their children. Such money should first be allocated on an experimental basis.

IV

I turn now to the first question. (1) Are day care centers likely to improve child rearing? Can they replace, or improve upon, the home?

Far too little is known about child rearing. However what is known suggests that even the best of institutions cannot serve a small child as well as the average family. Yet most of the institutions proposed will not be the best. Chances are that they will be staffed by people no less average than those that staff our schools now.

The public has been misled for many years to believe that teaching can be improved by training prospective teachers in specialized institutions—schools of education. There has been no indication, let alone demonstration, that teachers teach better, that pupils learn more, or, that the "whole child" benefits from this training. No better result may be expected from training people for day care centers proposed by the bills before you.

Such training will be fruitless for we do not know what the "right" way is of dealing with children. Possibly there are as many "right" ways as there are "right" persons. Infants and children react to the personalities and the emotions of those who deal with them and not to what these persons may have learned. Personalities cannot be shaped or even influenced by cognitive "training." And there is no reason to believe that we will hit on any selection process to insure that day care centers are staffed by the right kind of person. Experience with teacher selection or with social workers is highly discouraging. Yet infants and children are far more vulnerable to even the subtlest of malpractices than are adults.

Up to the present the development of children has been left to families who have brought up their children largely by traditional means. Scientific theories of child rearing have veered from one extreme to the other. In the 1920's Dr. Watson's behaviorist prescriptions had great scientific prestige. He insisted on inflexible schedules from the beginning, warned against any manifestation of affection and particularly against cuddling infants, picking them up when they cry, et cetera. Today, Dr. Spock's quite opposite theories prevail, though they are beginning to lose prestige. In addition, there are more sophisticated psychoanalytic theories, some of which, in vulgarized form, have reached schools of education and other institutions.

Suppose the bills before you had passed in Dr. Watson's time. The damage to children would have been literally immeasurable if presently prevailing theories are true. But the evidence for the presently prevailing theories is no more conclusive than the evidence was for Dr. Watson's theories.

We know very little about the right institutional handling of children. Where we have some measure of success it is due to extraordinary people, such as Bruno Bettelheim in his institution in Chicago. But we cannot hope to staff the proposed institutions with extraordinary people. On the contrary, chances are that the position to be staffed—low in income and prestige—will attract indifferent people. Physicians learn: *primum non nocere*—above all do no harm. Perhaps social physicians can adopt this motto from medical man.

V

The belief, implied in the bills before you, that we know and can deliver by social mechanisms the right way of bringing up children is not only undemonstrated but demonstrably false. Infants, and children of tender age, need, above all, firm yet affectionate, concerned, spontaneous, individual attention, in a stable and lasting relationship with maternal and paternal figures who provide support, models, and sources, as well as objects of affection.

Such relationships need not be provided by actual parents. Parental figures can take their place if parents are not available. But a changing staff of government sponsored centers cannot. It lacks the all important element of stability. Nothing is more important for a small child. Nothing could be more harmful than the repeated disappearance of adult figures in whom the child has invested affection. Depending on age, the development of "object relations," and later, of a "superego," will suffer if the child repeatedly has important relationships with people who disappear. And nothing could be more cruel than to impose on small children these perceived abandonments. Yet the bills before you could do no less. Apart from instability I believe that the spontaneous individual affection hired hands can provide will in most cases be distinctly inferior to that of parents, be they ever so poor.[1]

VI

Every effort should be made to make it clear to women that to truly want children implies wanting to bring them up and waiting until one is able to do so. There is no point in having children only to entrust them to day care centers for most of the time at a tender age. It is only the totally unwanted child that might be better off in a day care center. We should minimize the number of these unwanted children first. Secondly, we might help mothers, when required, to place children they will not or cannot take care of, into already existing private, or privately organized, institutions.

---

[1] It is for this reason that wherever possible, homeless children are now entrusted to foster parents, rather than institutions.

Congress might want to finance a few small experimental institutions to try out how effective or useful government sponsored day care centers could be. As Daniel P. Moynihan has shown rather conclusively in his *Maximum Feasible Misunderstanding*, social science, at the present time, is in a position to produce testable theories, and the methods by means of which they can be tested. However, the assumption that social science has as yet produced a tested theory of child rearing is sheer fantasy. Only a few variables have been detected. And they suggest that family care should be encouraged, not replaced.

VII

Good men, with good intentions often have produced undesired effects. I am convinced that the bills before you would do immeasurable harm to children and I urge you not to pass them. Previous governmental appropriations have had "so little effect" on education according to Dr. Moynihan (The New York Times, Jan. 10, 1972) ". . . as to be naught." "School inputs," he continues, "such as per pupil expenditure" have "an extraordinarily weak influence on educational outputs." Whether or not one accepts the reasons that Dr. Arthur Jensen has given for the failure of the Headstart program to achieve any permanent improvement in the learning ability of pupils, no one has seriously questioned the bare fact of the failure itself. That failure was, and is costly. But the harm it does is largely financial. It harms the taxpayers and fails to benefit the children. The bills before you are much worse: they would harm the children as well.

VIII

Congress has long realized that the war in Vietnam cannot be won by throwing in more and more resources. Unlike his predecessors, Mr. Nixon agreed, and has gradually reduced the resources used. Perhaps it is time for Congress to realize that the "war" against whatever actually or presumptively ails our society, including difficulties in child rearing, cannot be won by throwing in more and more resources, after those previously used have been shown not to improve matters. Congress might even want to consider whether what is held out as the cure may actually be the disease.

Certainly the bills before you are to help children, and nobody could possibly quarrel with this end.

Senator MONDALE. Then what would you do?

Dr. VAN DEN HAAG. I would change the environment, partly by subsidizing the parents.

Senator MONDALE. How much would you subsidize them?

Dr. VAN DEN HAAG. That would depend on the situation. The children may have to receive therapy, and I would subsidize that.

Senator MONDALE. You would have a national program of income maintenance . . . substantial income maintenance?

Dr. VAN DEN HAAG. Yes.

Senator MONDALE. What would you do next?

Dr. VAN DEN HAAG. Nothing. If the maintenance were sufficient to enable parents to take care of children, I think they know how to do better than most bureaucrats would.

There are laws, of course. If there is a case of child neglect, these laws should be applied. But if it is assumed that the parents are not neglectful of their children, but merely lack the money to take care of them properly, the income maintenance would obviously remedy the problem.

On the other hand, if it is assumed that the parents are malevolent or incompetent, then present laws, I think, permit us to remove the children from their care.

Senator MONDALE. Would you yield?

There are about 5 million preschool children whose mothers are working now. Would you say in the absence of some kind of help that those children are receiving affectionate concern, and spontaneous individual attention, from maternal figures?

Don't we have to deal with problems as they exist? Are you fully satisfied with the way these children are being treated and cared for?

Dr. VAN DEN HAAG. I am certainly not satisfied.

Senator MONDALE. What is your program, then?

Dr. VAN DEN HAAG. My first point would not be to make matters worse. I do agree with you, Senator, that things are not ideal. They never are. But I think that is no reason for making them worse. My second point would be twofold. If the mothers in question work because of economic distress, then the remedy would be to help these mothers so as to make it unnecessary for them to work.

That is for children already existing. The second thing is, I would generally try to make sure and help mothers to avoid children until and unless here they are willing to devote to them the time and effort that is needed to bring them up and I would make it clear, contrary to the intent of the bill, that bringing children up in daycare centers is no substitute at all for what children need.

So I would do the best I can to prevent a situation where that becomes necessary, and when economic distress brings such a situation about, I would try to subsidize the families in question.

Nothing is more important for a small child than his parents. I agree with you that trouble is caused when parents get divorced and so on, and I wish I had a remedy for that. I don't, other than trying to persuade people not to have children before and unless their relationship to their partners are quite stable.

Senator MONDALE. You say our bill imposes abandonments of small children. What sections do you have in mind?

Dr. VAN DEN HAAG. Those relating to the sponsorship of daycare centers.

Senator MONDALE. Do they require that parents present their children to the centers?

Dr. VAN DEN HAAG. No, but they induce or seduce parents to do so.

Senator MONDALE. What do you think of Dr. Jensen's theories?

Dr. VAN DEN HAAG. I am not in Dr. Jensen's field directly. I think the theories are worth listening to, since he proposes a different remedy, and I would very strongly recommend that this committee give a hearing to these theories and call Dr. Jensen to explain them.

Senator MONDALE. In other words, you are not prepared to say that you reject the notion that there is an inherent inequality on the part of blacks?

Dr. VAN DEN HAAG. To my knowledge—and I have made a very careful study of Dr. Jensen's monograph—he does not say anything of the sort.

Senator **Mondale.** He doesn't?

Dr. **van den Haag.** No.

Senator **Mondale.** You have made a very shrewd reading of his paper.

Let me try Dr. Shockley on you. What do you think of his theories?

Dr. **van den Haag.** Dr. Shockley is a great physicist, and his theories are just as important on psychological matter as the theories of a Senator would be, or my own on physics.

As to Dr. Jensen, though, may I correct your impression, Senator Mondale? What Dr. Jensen affirms in his monograph is that intelligence as tested by IQ tests, of which he takes about 100 kinds into consideration, is about 80 percent innate and about 20 percent environmental.

Senator **Mondale.** Do you reject the notion that blacks are inherently unequal genetically?

Dr. **van den Haag.** Certainly not. They are black. There is a genetic difference in the color of the skin. I do not think we have reached any sort of conclusion on learning.

Senator **Mondale.** I am asking you if you reject it.

Dr. **van den Haag.** You are asking me do I hold the notion that blacks are what?

Senator **Mondale.** Genetically inferior to learn cognitively as against the rest of the population.

Dr. **van den Haag.** I do not hold this notion.

Senator **Mondale.** In other words, you reject any notion that they are inherently inferior in that sense?

Dr. **van den Haag.** I don't think I know what "inherently inferior" means.

Senator **Mondale.** I think you are playing games.

Dr. **van den Haag.** I certainly reject it. I am saying, that as you put it, the meaning is not very clear. I would think it would be much more productive to refer to what is actually involved. I do not think anyone could say of any human being that he is genetically superior or inferior to another.

Senator **Mondale** You brought Dr. Jensen up. If in fact, some people in this country are unable to learn as fully and as well as others, then every effort to do so is bound to fail, isn't it?

Dr. **van den Haag.** I would almost reach the opposite conclusion. If in fact, as you are assuming, some people have lower learning ability than others, then I think society has more obligation to help them use that learning ability.

I reach the very opposite conclusion, which, by the way, is also the conclusion that Dr. Jensen reached.

But I was referring not to Dr. Jensen's explanation of the lower learning ability, but merely to the fact that, as tested, there is a lower learning ability. Attempts were made to remedy it. The failure of these attempts was very costly—although the harm done is largely financial.

Thank you.

Senator **Mondale.** Thank you, very much. What is your training and background?

Dr. **van den Haag.** I am a sociologist and a psychoanalyst, with training for both of these.

Senator **Mondale.** What research have you conducted or what papers have you written in the area of growth and development of children?

Dr. VAN DEN HAAG. My book, "The Rubric of Society," deals with such matters, inter alia.

Senator MONDALE. In what other fields have you written?

Dr. VAN DEN HAAG. I think on most things that concern society one way or the other.

Senator MONDALE. What are some of the major areas in which you have written?

Dr. VAN DEN HAAG. Well, my next book which is going to be published in June by Harper and Row, will be called "Political Violence and Civil Disobedience," so that is an area in which I have been concerned.

I have written quite a number of articles on psychoanalytical matters. I have written the introduction to a new edition of Kraft Ebbing's classic, "Psychopathia Sexualis" I have given the Freud Memorial Lecture on "Psychoanalysis and Utopia." I have made observations on the observations of Dr. Renee Spitz. I will submit a biography.

Senator MONDALE. I wish you would.

(The document referred to had not been received by the time this hearing went to print. When it is received it will be placed in the Subcommittee files, or included in a relevant committee print in the future.)

Senator MONDALE. What other areas have you written in?

Dr. VAN DEN HAAG. My memory is not good enough to recite them to you.

Senator MONDALE. What are the major fields?

Dr. VAN DEN HAAG. Political matters, psychological, and so forth.

Senator MONDALE. What sort of political matters?

Dr. VAN DEN HAAG. I have a book coming out on political violence and on civil disobedience and from time to time I have written articles on matters of the day.

Senator MONDALE. We will be submitting questions then in writing to the two of you, along with Senator Buckley, perhaps along with others, and we would appreciate it if you would respond in writing.

Our next witnesses are Dr. Bettye M. Caldwell, Professor of Elementary Education, and Director of the Center for Early Development and Education, Little Rock, Ark., and Dr. Milton J. E. Senn, Sterling Professor Emeritus, Pediatrics and Psychology, Yale University.

STATEMENT OF DR. BETTYE M. CALDWELL, PROFESSOR OF ELEMENTARY EDUCATION AND DIRECTOR OF CENTER FOR EARLY DEVELOPMENT AND EDUCATION, LITTLE ROCK, ARK., AND DR. MILTON J. E. SENN, STERLING PROFESSOR EMERITUS, PEDIATRICS AND PSYCHOLOGY, YALE UNIVERSITY

Senator MONDALE. Please proceed.

Dr. CALDWELL. My name is Bettye Caldwell and I am Professor of Education at the University of Arkansas. We have a great deal of speculation on what actually transpires in daycare, and happily we have some data. I would have to say, however, that I have never been to Russia or Czechoslovakia, or East Germany. My remarks will have to be based upon what I know of daycare in America.

I do feel that on the basis of the data we have, we have the opportunity to draw some conclusions that ought to get us beyond some of our speculation. The first thing that I would like to say is that children in daycare or child care, can indeed develop motivationally and in terms of skills that are considered adaptive in today's world.

It has been just a very short time, actually, since people began to do rather serious research on the effects of daycare and at that time critics of the field took the position that the task for the researchers was to prove that the experience did not harm the children.

I would like to mention that in response to some of the comments made by Mr. Meers that we have not demonstrated advances, but at least we have shown that declines do not continue. This really was the task that was presented to the people who chose to do some research on this—to prove that the children do not decline with age. Actually if you look at the task that we have from the standpoint of our undereducated children, the task that we have to show is that you can take a group of infants, all of whom seem to start at roughly the same developmental level, some of whom continue at that pace, and some of whom drop, and prevent that drop in these children who show the decline.

So the task of preventing a developmental decline was indeed a very relevant task. You can take that and interpret that as actually showing an enriching or enhancing effect. At the present time we have an accumulation of data which demonstrate that indeed this decline can be prevented, and that children do show an acceleration in their participation in well run child care programs.

This has to be measured in some way, and of course we don't have the very best techniques for this, particularly with regard to the very young child. But I would cite some data which is from my earlier work in Syracuse, with Dr. Julius B. Richmond, who suggested that my remarks be represented as interpreting his points of view, also, Senator Mondale.

We operated a child care center from 1964 to 1969, and during that time had a number of children who were enrolled, usually around 1 year of age, and I can't help saying that I do so wish Mr. Meers had visited us in Syracuse as well as going to Moscow and Leningrad, because I do think he would have found there children who smiled and children who were happy and alert.

He would have found a group of parents who are extremely excited about having their children in a program like this, and he would indeed have found parents who otherwise might have been left out of an opportunity to have input into a child care program, but they did find it.

If he came to Little Rock, Ark., at the present time, he would find the same things. He would find young children who run to the door in the morning and greet their regular care givers. We have been operating there 3 years and we have only had two teachers or care givers leave. In both cases they have been discharged.

We felt they were not responding to the training and were not giving the quality of the care we wanted. Staff turnover need not be a major problem, as Mr. Meers implies will invariably be the case. I say that obviously with some partisanship, but we have over a thousand visitors every year, and almost without exception, this is the report that they give.

Now our Little Rock program is not old enough for me to give you very much substantial numerical data about the effects of it, but certainly the Syracuse project is. Let me tell you about some data that we have from 86 children who entered day care prior to age 3 and some 22 who entered after age 3, and then 49 controls.

We did not analyze data on children who had not been in the center at least 6 months. We considered anything shorter a temporary arrangement. We found in general, as a consequence of the first year of participation in the program an acceleration on the developmental tests that averaged 12 to 15 points.

Incidentally, the acceleration was as great for the children younger than 3 as for the children who were older than 3, and in the second year in the program, again the acceleration would be up, but it was nothing like as great as it was in that first year.

The findings of this were very reassuring in terms of what can be accomplished in terms of cognitive gains. Mr. Meers asked me for some published data to demonstrate that one can reverse developmental decline, and I do have a mimeographed copy of a paper that is published on that. I will give it to you in the back of the room later.

We did not have, of course, the only early child care program that was similarly evaluated. There were other programs in New Haven that Dr. Senn will talk about, one in Chapel Hill, N.C., and one in Greensboro, N.C.

The generalization that can be drawn from all these studies is that the children did thrive and did remarkably well. Furthermore, the greater the population in the center deviated from this hypothetical that we call the middle class norm, the greater the gains shown by the children.

To me that is a very significant fact with important implications for social planning, because it said that the greater the apparent need of the children for some corrective or preventive environmental experiences, the greater the response shown by the children.

A second generalization can be made as to what happens to children in daycare, and I want to emphasize this one, because many of the remarks made this morning I think indirectly impinge upon it. It seems to me one of the most important questions we need to ask about the effects of daycare is this one of what does it do to a child's relationship to his primary family?

Does it weaken his family ties? Does it create an anemic or a depersonalization as has been implied here? In one of the studies we did, we looked at all the children of two and a half years of age who had been in daycare since around a year of age. There were 18 such children. We compared them to 23 children who had not spent any time in the daycare center but who had remained fully in the care of their own mothers. Now you have about 40 children. At the time they were two and a half we brought the mothers in for an extensive interview.

We observed how the children interacted with their mothers. We questioned them about how the children behaved at home, and so on. On the basis of this lengthy asessment that lasted about 3 hours, we tried to come up with an estimate of how attached these children were to their own mothers, and conversely how attached the mothers were to their own children.

We used as interviewers people who were not the caretakers of the children in the center. It is possible they did know that some of the children had been in the daycare setting but actually, the interviewers were much closer to the home reared children than to the others.

Our findings were interesting in that we could not demonstrate any difference in the strengths of the primary attachment of the infants to their own mothers. The daycare infants were just as close in terms of physical proximity, enjoyment of interaction with their own mothers, reliance on their mothers for problem solving and suggestions, and so on, did not differ significantly from the children who had been entirely home reared during that time.

We also rated the children on what we called breadth of attachment, that is, attachment to people other than their mothers. The daycare infants enjoyed interaction with other people more than the home reared infants.

This data are compatible with a study in Scotland, which showed that infants who had contacts with other people tended to develop attachment to more people than did infants who had been isolated.

That is a very commonsense finding but one which had been attacked by many opponents of the Comprehensive Child Development bill. In regard to the strength of attachment of the mothers to their children, there were, again, no major differences between the groups, and here I would like to mention one important point. All of the children in our centers then, and all the ones in our Little Rock sample now, had to be at least 6 months of age before we took them into any kind of a group daycare program.

Most of the data on development of attachment tends to suggest that by 6 months of age the infant knows his own mother, is emotionally attached to her. Once that attachment develops, it seems there is not too much we can do to weaken it. If they could testify, a lot of battered and abused children might be willing to give testimony on that point.

When we looked at the home-reared and the day-care samples together, we found that the strength of attachment of a child for his mother was correlated with developmental level. This meant in general the more developmentally advanced children showed a closer relationship to their mothers.

There was also a tendency to find the same thing in reverse, that is, the children who were most developmentally advanced seemed to have mothers who related to them a little bit more closely.

We feel that this gives us some evidence that one cannot separate early manifestations of general development or intelligence from other aspects of social and emotional functioning. That is, the children who did well and whose doing well was influenced by the early daycare experience had mothers who related to them better and who in turn related more completely to their own mothers.

A third conclusion that I would like to suggest can be drawn from quality daycare programs is again tentative and very much needs replication. All morning we have heard suggestions that young children in daycare become emotionally disturbed. I am sure there are chambers of horror daycare centers throughout this country. There are places where not only very young children but older children would possibly become emotionally disturbed. But I would suggest that it does not have to be that way, and I feel that the kind of daycare called for in your bill could be of high quality.

Senator MONDALE. Would you yield?

The whole fight was to make certain that where daycare was necessary, it would be developmental, and under the control of the parents of the children who would be cared for—as opposed to the administration's program, which is all custodial, and forces the welfare mother to work whether she wants to or not.

Now the critics we have heard from this morning . . . who have suggested that we want something like the 1915 hospitals or the Soviet Union system . . . did not come to grips with that issue at all.

Miss CALDWELL. My evidence comes from another study we completed in Syracuse, but it has to do with a totally different group of children, because these are older children. We took all the children in the groups of 3's and 4's, and asked my colleague Dr. Samuel Braun to do a clinical study of these children. He has done a lot of this kind of work in Headstart centers in the country.

We asked him to look at our 3's and 4's without any knowledge of whether they were children who had been in daycare prior to 3, or whether they had come in just since their third birthday. That as you will notice, is the cutting point that most people tend to use, saying that prior to age 3 you have the greatest dangers.

He spent a full week with these children, which is not a psychoanalysis as described by Mr. Meers, but he stayed with them in the classroom, rode to and from school, he talked to the children, played with them, did everything they did during the week with them, and then rated all of the children, 30 of them on a scale of 1 to 5, with 1 representing healthy, good adjustment and 5 representing poor adjustment.

Only one child received a rating of 5, and only two received a rating of four. The remaining 27 children were rated in the upper levels of this scale, indicating that in general the children who were in the daycare center were well adjusted psychologically now insofar as he was able to determine.

There was absolutely no difference in terms of whether a child had come in prior to 3 or after 3 in terms of whether a child received a high or a low rating on the scale. So, again, quality day care does not have to be associated at all with the appearance of emotional disturbance.

Dr. Braun felt these percentages were comparable to or better than other centers he had visited, and roughly what you would expect to see in a population of home reared children. You would find 3 or 4 who had subclinical emotional problems. None of the children was so disturbed as to require treatment. I am stressing that these are minor, within normal limits kinds of emotional problems.

Now I would like to make some points in response to remarks Mr. Meers made in his verbal presentation.

I am going on with my consecutive numbering, so my fourth generalization would be that daycare and institutionalization are not at all comparable and it verges on the dishonest to imply that they are.

It verges on a deception that I don't think Mr. Meers wants here. We have no right to compare children in daycare to children in institutions who are removed from their parents, who do not know maybe what their own name is, who do not know who is going to take care of them one week as opposed to the next week and so on. Children who are brought to a center every morning and go back to a home and a family every night should not be compared with children who are residing in institutions.

Someone made reference earlier to a conference on group care held at Yale 3 or 4 years ago, at which Dr. Anna Freud, who is kind of the dean of child psychoanalysts, appeared. Dr. Freud spoke up after I gave my paper & said, "I don't know why you were invited to this conference." "You are talking about daycare, and group care is not the same thing." I would like to stress that point. It is not the same thing, & one should not examine data on the effects of institutionalization to look for parallels in day care.

The next generalization I would like to suggest is that little children in quality child care are generally happy and alert. In his paper Mr. Meers says that he never saw a child smile except once, and that was a child who had a parent who was a care giver in that institution. In our center, people constantly remark that the children are so happy and loving. There was an article about our center in "Parade" magazine in which the author stressed this point.

This is commented on all the time, how friendly the children are. I stress the fact that it does not have to be that children do not smile in day care. Any director or any program planner who hires and selects people to work in such institutions and does not give them help in some of the necessary skills that will help elicit this happy emotional response of children is somehow at fault.

Now, in this context again, I would like to suggest that there is something that probably happens when one visits another country from the outside and becomes a one-week or even a one-month expert. I think it is a very easy to assume if you go into an institution and you don't see everybody smiling, to say they are unhappy in this setting.

It may well be that you are seeing the cultural pattern for that particular group. A few years ago I was in Guatemala in a very small village up in the mountains where a study concerned with nutrition and behavioral development is being conducted. There the babies are carried around against the mother's body most of time, but they don't smile.

They look forlorn and don't smile. I asked some of the people who had lived there for an explanation and they said "Our babies, and babies in this village, don't tend to smile. Don't go away with the impression they are unhappy. They are content, and that happens to be the base line emotional response for this group of children."

One of the things Mr. Meers commented on in his paper was that he knew of no staff member, save one, in Europe, who enrolled their children in their own daycare centers. I happen to be very strong on trying to make life easier for women, for reasons that might be obvious, and life sometimes can be hard, not only for ghetto women, but for educated women and all kinds of women, and certainly for working women it is not easy.

When we first opened up our center in Little Rock, we had an enrollment policy that you had to live in the neighborhood to get a child in the center. A number of people who wanted to be on the staff found a house or an apartment in that neighborhood in order to be able to enroll their child in our center.

They are still there. We have 9 care givers at present who have a total of 16 children in our child care program. Not a one has ever removed a child, and when they heard that I was to appear before this Committee, they asked me if I wanted them to write letters saying how grateful they were for this opportunity and how pleased they were with the service.

Senator **Mondale**. That is one of the things that struck me. I must have visited a hundred Head Start centers. It always seemed to me that the kids were happy and the parents were very pleased, and the Head Start has been one of the most popular programs with parents and families that I know of.

Dr. **Caldwell**. The parents love it. They are usually so involved in their children's advances, they come in and say, "Oh, I wish I had known this when my big kids were little," and they are so grateful and responsive to it. They are your biggest supporters in any community.

Incidentally, the comment about the emotional responses, I don't mean to make it sound like it is just perhaps that I have had something to do with the programs in which you find them. Since there apparently is some concern about the emotional responses of children in day care, I would suggest that you have someone submit for your record pictures of infants and young children in quality child care programs.

A quality program means the good life for infants and toddlers and Dr. Mary Elizabeth Keister in Greensboro used that term to describe her program. I don't want to come off as having it felt that I feel day care should be for everybody, and all day care is good, and so on, just as Mr. Meers prefaced his remarks that he did not want to come across as being opposed to day care.

Daycare, as Dr. Senn is going to elaborate on, has been around for a long time, but really it never came under public scrutiny until recently, and people never cared enough about it to evaluate the programs. We must demand constant monitoring of daycare programs to ensure experiences for our children that are conducive to some wholesome development. Horace Mann said the education was too important to be anything but the concern of all citizens.

Today you hear cries for more and better daycare and sometimes it seems to me these demands have but little concern in them for the welfare of the children involved.

"We need more day care centers so the mothers can go to work and get off the welfare roles," you hear, or "We need more day care so that women can realize their potential." We do want our citizens to be able to function independently and we want our women to be able to have an opportunity to realize their own destiny, but sometimes it is hard to shake the fear that those making the demands are only minimally concerned with what happens to the children.

If day care does weaken family life—and at this point in time we have not one shred of evidence to support that based on data obtained in this country—we need to know that.

We must generate continuing answers to the questions asked about day care all the time, what does really happen. We can have cheaper day care by not bothering to monitor, but I feel that in the long run it will cost us more.

My next to the last point has to do with child care programs abroad about which I stress again I am personally ignorant. Most all of the child care programs highlighted by Mr. Meers are in Communist countries. There are a number of other persons who are concerned about this question now who are in the process of studying day care in other countries, and one couple is Dr. Marsden Wagner and his wife, Mary Wagner, who are doing a 2-year study in Denmark.

They state the following in a paper: "An opinion which was uniform throughout our observations was the importance given to the relationship between the child's parents and the child's daytime care givers. There is a firm belief especially in Denmark that the family unit is the keystone of child life, and the belief that quality day care can strengthen this family unit through regular frequent contacts between daycare workers and parents, through parent education programs which emanate from the daycare program and in special circumstances here through giving some assistance to families whose functioning is below a desirable level or in jeopardy of becoming so. Such daycare clearly assists the families both by relieving them from the total care of their young so they may direct their energies elsewhere, and through the use of daycare as a mechanism for bringing outside assistance to the stressed family."

I merely want to suggest in entering that into the record that this is a more meaningful model of comparison for American daycare if we are going to compare it with daycare abroad than is a comparison based totally on the daycare programs in Communist countries.

Senator MONDALE. We had testimony from others who had visited day care centers in Communist countries, and one of the things we tried to do in the bill was to respond to the sterile atmosphere and nonparental-involved centers they have. We do so by placing great emphasis on the community, and on parental involvement and control. We tried to insure that these programs would be in the best interests of the family and the children.

Of course, the great emphasis placed on work in the home with the parents, such as Dr. Scheaffer and others have demonstrated, is important.

Dr. CALDWELL. Yes, my last point is one I have amplified in the paper I submitted to the committee. I called it "early child care programs do not signify a new invasion of the family domain."

I am going to read what I have written on that, because I might not state it accurately.

Accusations that this bill would bring the state into family life would be if they were not vicious, mainly naive. For there is no aspect of living in which the state does not share responsibility for family life in which the family cannot benefit from such help.

A couple must confer with the state before marriage (obtain a license, have a blood test), before beginning employment (SS number), upon having children (take out a birth certificate), prior to foreign travel (a passport), and must not forget to have someone notify the state when he dies (death certificate). Upon reaching the age of 7 he enters into a contract that will last for aproximately 16 years that he will participate in state prescribed and authorized schooling. His parents will obtain certain types of medical care for him (immunizations), and/or be liable to prosecution.

In any society in which variations from the parental adult pattern are permitted, parents need some type of help in socializing and raising their children. My own mother went through the fifth grade and my father through the 10th. It never occurred to either of them that they should bear the entire responsibility for my education. They were grateful for a public school system which shared this task.

And indeed in every State we have laws that deny parents the right to handle the education of their children entirely by themselves. Sometimes parents are accused of thinking one of their own needs exceeds the needs and rights of their children. A case is currently pending in Wisconsin over the rights of Amish parents to insist that schooling for their children terminate at the end of the eighth grade.

The State is insisting that this violates the rights of the children. The only reason the first 6 years of life were omitted from such protective legislation (legislation which protects the rights of children) is that until a few years ago no one realized how important these first 5 years were for the development of the child.

We used to think that they were years for marking time until a child was ready to learn. Now we are pretty certain that if he does not learn many significant things during the period—a language system, a motivational system, how to trust and model after adults, how to find joy in his daily life—he will be ever after handicapped in acquiring these essential learnings.

For an enlightened society to withhold developmental supports from children during these precious years because offering such supports challenges our commitment to individuals or individualism is actually to deny such children the opportunity to be individuals—that is the fully developed individuals they could have become.

Thank you.

(The article referred to follows:)

WHAT HAPPENS TO CHILDREN IN DAY CARE?

Bettye M. Caldwell[1]

A few years ago it would have been impossible to try to approximate an answer or series of answers to the question, "What happens to children in day care?" for the simple reason that for many years nobody bothered to try to find the answers. For day care in America has grown in spite of social planning rather than because of it. It is as though we tacitly assumed for many years that if we didn't pay any attention to it, it would simply go away. Strong forces of public opinion actively resisted the growth of day care, asserting that more available day care would mean that more mothers would go out of the home to seek additional employment, thereby neglecting their children and increasing juvenile delinquency and all sorts of other social ills. Finally social planners began to realize that failure to provide good day care did not keep mothers at home, particularly those thoughtless creatures, often left with full responsibility for child-rearing, whose children might not have subsisted without the income that the mother could provide. Rather the alternative to not providing good day care was to force mothers to settle for substandard day care.

But suddenly day care is very much in our consciousness. Where did it come from? With many people the experience is like learning a new word. Before you learned that word, you never heard it before; now suddenly you hear it three times a day and wonder why people are suddenly using it so often! Day care, or simply child care, as most of us prefer to call it, has suddenly emerged as a major force in American life, and it will not disappear again. It is with us to stay. I think there are a number of reasons for that emergence but do not wish to spend so much time sharing my analysis of social trends with you that I forget about the major questions raised by my title. Suffice it to say that at least one reason that community-based child care is with us as a subject of major social concern is that we have reached a new level of community orientation in our personal lives. One by one the major areas of life that have throughout history been taken care of predominantly within the family (except for a few select people within each social group)--child-bearing, routine health care, basic education, food preparation--have begun to be shared with others in the social group. Such sharing comes about in any field whenever specialization of function takes place and some members of the community are recognized as more skilled than others at a particular task. As techniques of child rearing have become a subject of scientific study, and as growth-inducing and growth-retarding practices have been identified, it has become inevitable that child care be gradually ever more professionalized. Whenever either self-proclaimed or consensually-acclaimed "experts" appear who supposedly can do a better job at a given task, someone is sure to speak up quickly and say, "Then do it for me, or at least help me do it." To me it is useful to view day care in this context of social evolution as a manifestation of the professionalization of child care and not simply as an ad hoc procedure created to perform desired social services.

---

[1] Department of Elementary Education, College of Education, University of Arkansas, Fayetteville, Arkansas. This paper was originally delivered as an S. and H. Foundation Lecture at Pacific Oaks College, Pasadena, California, February 9, 1972. The author's work is supported by Grant No. SF-500, Office of Child Development, Department of Health, Education, and Welfare. Author's address: 814 Sherman, Little Rock, Arkansas.

The dawn of the day care movement in America (it took a quantum step during and after World War II) did not coincide with our obtaining information that would help us answer the question of our title, "What happens to children in day care," for early day care programs grew up almost outside the boundary of planned scientific inquiry. Simultaneously with the increase in day care in America there occured a build-up in the area generally called nursery education or preschool education. But certainly the leaders in that field did not talk to the people in day care, and vice versa! Indeed not. For, after all, was not day care a service designed to provide care and protection for unfortunate children whose mothers were forced to work? And did not use of day care automatically identify a family as one in which there was social pathology? After all, if there were no such pathology, the family theoretically would not have sought day care. Nursery education, on the other hand, was for children from storybook America, for the Dick and Janes who would later appear in our readers, all blond and blue-eyed and fair-skinned, happily chasing their dog Spot in the grassy yard of their Cape Cod house surrounded by its white picket fence. All of these children had two parents who went to PTA meetings. The father had a steady job (preferably as a University professor), and the mother stayed at home and baked cookies and lovingly applied band-aids when someone fell down. These children were exhaustively researched to the extent that we knew how they grew, what their conceptions of causality and deity were, how many words they knew at each age level, whether they played parallell or as isolates (heaven forbid!), what their average IQ's were, whether they responded better to autocratic or democratic leadership--and on and on and on!

But there were other children out there. It was just, as Michael Harrington charged, that they were invisible to us. And many of them were in day care--often of an improvised type, not in beautiful lab schools furnished with Creative Playthings and futuristic jungle gyms. No, many of those of nursery school age were left with 6 or 7-year-olds at 5:30 in the morning when mother had to leave the housing project to catch a train across town to arrive by 7:00 A.M. at the hospital where she worked. At 7:30 they went to an aunt's apartment three floors down, and she gave them breakfast and then took them, along with her two, to a decrepit day care center, following which she left for work. At 4:00 their mother picked them up, along with the two that belonged to the aunt, and took them home with her, where all the children stayed until the aunt came home--and so on. Certainly few people were interested in the child development of "those children." For how could we possibly generalize to the population as a whole if we used such a group for our research sample? The fact that "those children" were probably far more representative than the ones being exhaustively studied never seemed to make an impression on anyone's consciousness until the early sixties.

But then things changed abruptly, and day care was given the impetus it needed to come into its own--into its own with full trappings of social respectability and that fraternity handshake of the intellectual crowd--data, facts, information. For it was in the early sixties that early childhood as an important developmental period was discovered. Furthermore, with early childhood's discovery came the notion that it was not only there but that it might be critical for setting developmental limits for the child for the rest of his life. Intervention during the early years became the battle cry, and for the first time the primary target group was "those children" who previously had been totally neglected. Scientific ideas can never flourish, of course, unless they are compatible with the Zeitgeist. More and better nursery education of the 2-3 hour a day variety would not have filled a major social need. But more and better day care would indeed fill such a need. And so day care came out of the kitchen and, for the first time, began to eat in the dining room. It was no longer a pariah; it was really the prodigal son who had been misunderstood all along. And so, for the last six or seven years, we have been seriously trying to observe day care programs, to try to evaluate the extent to which they formulate objectives for the children and families and then meet those objectives, to conduct research on samples of children in day care and thus to understand them better and to broaden our understanding of all children. And on the basis of the pool of knowledge now emerging we can begin to answer the question of this paper,"What happens to children in day care?"

1. A full range of experiences will be encountered by children in day care; one can no more speak of day care in the singular than one can of "school." This

has been documented more completely by Prescott and Jones (1967) than by anyone else. They observed for four 20-minute periods daily for 10 days in 50 randomly selected day care centers in the Los Angeles area and noted such things as teaching style (use of restriction or encouragement), amount of training, program formats, spatial arrangements, and staff attitudes. As would be expected if one paused to reflect on it, they found a wide variety on all their variables in the different centers they observed. Among their findings were such things as the fact that, in general, amount of training was a predictor of whether the program would be adult-centered or child-centered, with more training associated to a child-centered approach, although there were some very well-trained directors who were adult-centered. Size of the facility and arrangement of equipment within the available space was an important determinant of teacher performance. They found that day care was most effective (as determined by the extent of the children's interest and involvement in the program) in those centers in which the staff was flexible and where children's needs were met. Positive behavior tended to be forthcoming in response to encouragement, to lessons in consideration, creativity, pleasure, awe and wonder, and to emphasis on verbal skills. Negative behaviors tended to be associated with restriction and to lessons in control and restraint and rules of social living. In short, in this important observational study, it was possible to place the programs of different centers along a variety of continua both in terms of program input and child response. Neither in California nor in any other location can one refer to "day care" en masse and be doing anything other than obscuring important information.

2. Children in day care develop motivationally and in terms of skills considered adaptive in today's world. A few years ago when a number of people began to do serious research on the effects of day care, critics of the field took the position that the task for the researchers was to prove that the experience did not harm the children. This was generated by the fallacious assumption that group

day care was the equivalent of institutional group care, in which children experienced extremely depriving sensory circumstances and in which the problem of self-identity was difficult if not impossible to solve. Now we fortunately have an accumulation of data which demonstrates that quite the reverse can be true in well-planned and well-run programs. That is, children enrolled in day care on the average show significant gains on standard intelligence and achievement tests. Data in support of this can be cited from the Children's Center in Syracuse, New York (Caldwell and Richmond, 1964). The hypothesis that led to the development of that program was that the optimal time to begin enriching the experiential environment of a child was during early infancy--that is, after such time as he would have formed an attachment to his primary caregiver (his mother) but before such time as restrictive modes of communication and thinking had been established that would limit his future adaptivity. From 1966 to 1969 this program had yearly enrollment of approximately 75 children ranging in age from six months to five years and divided into five approximately equal subgroups. Age separations in the groups were not rigid, and during part of each day the children were in planned contacts with older and younger groups. Most of the children attended for a full six-to-nine hour day, with a teacher-pupil ratio being approximately 1:4 for all groups. The classroom activities offered a balance between teacher-initiated and child-initiated activities. That is, in each day's schedule there were some activities that were carefully planned by the teaching staff and others that involved completely free selection of activity and expression of interest by the children. All groups were racially balanced, and an attempt was made (not always successful) to have equal numbers of boys and girls in each group.

At this time data are available from some 86 children who had entered day care prior to age three and 22 who had entered after age three and 49 controls from comparable socioeconomic backgrounds (Caldwell, 1971). Each child used in the analysis had remained in the program for at least 6 months; many had remained for two to three years. Each child was assessed shortly after enrollment on a standardized test of early development and again immediately prior to this data analysis. The difference between the initial score and the subsequent score was statistically significant for both subgroups of children, with neither group gaining more than the other. For both the early and the late entries, the difference between the amount of change shown by the day care and the control children was substantial and statistically reliable. Data from other demonstration day care projects have shown essentially the same pattern.

It has been suggested that such gains are spurious and merely reflect greater familiarity with the test situation and greater ease and relaxation during the assessment period. This may well be the case. However, it is significant to note that in the Syracuse study controls were themselves tested in circumstances which corresponded very closely to those under which the day care children were tested. That is, we established a one-week "nursery school" for them, and no child was tested until he had achieved familiarity in the situation and with the examiners. But even if the gains in the day care children are motivational rather than intrinsic cognitive gains, this in itself is important. Whether such gains hold up with time is quite another matter, and one to which a great deal more research attention needs to be directed in the future.

Findings from other carefully evaluated day care programs have shown either similar gains (Robinson and Robinson, in press) or else no difference between day care and control children (Keister, 1970). Probably the most accurate generalization that can be drawn is that the greater the proportion of children in a program from environments which differ from the middle class norm, the greater the likelihood that results will indicate an increase in cognitive functioning associated with day care; the greater the proportion of children from backgrounds already geared to the acquisition of skills represented in the developmental tests, the less the likelihood that there will be a statistically significant difference between day care and control children. But above both of these conclusions can be placed the superordinate generalization that intellectual development need not be adversely affected by participation in day care as many people seemed to fear might be the case if children were separated from their families for large segments of the time during their early years.

3. Children in day care can be kept healthy. The question of the effects of day care on the health of children is a major one. Because of the associated health hazards, it would have been folly until just a few years ago to advocate bringing large numbers of young children, especially infants, together in groups--epidemics of measles or polio would have been disastrous consequences. Now, however, such illnesses can be controlled by immunization and, provided a family receives good medical care, they no longer need to pose a serious threat to the presence of young children in groups.

But what about the array of less serious, but still troublesome, illnesses that beset young children in groups? Specifically, what effect will day care have on the incidence and severity of colds and other respiratory illnesses? Will children in groups have perpetual runny noses and will one infant in a group so spread his illness that no one will be safe? These questions are especially relevant for infant day care.

Several infant centers are currently collecting data on this subject, but to date only the Chapel Hill, North Carolina group, has published results. Over a 5-year period, this group studied respiratory illnesses in approximately 100 children who had participated, for some length of time, in the Frank Porter Graham Child Development Center. Most of the children entered day care before 1 year of age.

The average incidence of respiratory illness by the group was 8.9 illnesses per child per year. The highest incidence rate of 10 per year was in the children under one year, with the figure dropping below 8 per year in the three year olds. The Chapel Hill data were compared to data from a large metropolitan community which recorded an average of 8.3 illnesses per year for one year old children and 7.4 per year thereafter through age 5. Glezen, et al (1971) concluded that infant day care might be associated with a slight excess of respiratory illnesses in children under one year of age but that after that time the incidence figures were very similar to those reported for home reared children.

Data from this study should be very reassuring to those who are interested in operating infant day care programs. In the Chapel Hill Center, no attempt was made to isolate the ill children unless this appeared necessary for the ill child's own well-being. Of course, high standards of cleanliness were maintained by the staff. Also, all children received excellent medical care through the program and, by 1967, a full time nurse and part time pediatrician were part of the staff. Thus, one should not, from the results of this one study, rush to the conclusion that infant day care will never be associated with increased incidence of illness. Obviously the data at hand are from a high quality program which strove for optimal conditions for the maintenance of health. They are in the least encouraging.

4. Children in day care do not lose their attachment to their mothers. The Syracuse group (Caldwell, Wright, Honig, & Tannenbaum, 1970) investigated one extremely important aspect of social and emotional development of children in day care--the attachment of children to their own mothers, and the reciprocal attachment of the mothers to their children. Primary maternal attachment is considered an essential foundation to all other social attachments that a child forms in later life (Ainsworth, 1969). In order to obtain some information on how early day care

affects this basic attachment, the Syracuse staff compared two groups of mother-child dyads.

Children in one group of 18 mother-child pairs had been involved in the Syracuse day care program from the time they were approximately one year old. Children in the other group of 23 mother-child pairs had remained in the exclusive care of their mothers during that same period. All assessments were made when the children were approximately 30 months of age. Based on observations of interaction between the mothers and the children in a 3-hour session, interviews about the child's behavior at home, and discussions of the mother's own child-rearing patterns, a cluster of ratings pertaining to attachment behavior was made for each mother and child.

Findings of the study should be very reassuring to all persons concerned with infant day care. In terms of the attachment of the children for their own mothers, there were no significant differences between the day care and the home-reared infants. That is, the children who had been enrolled in day care and had been exposed to several adults daily since before their first birthday were just as attached to their own mothers as were the children who had remained at home during this same period.

The children were also rated on breadth of attachment, i.e., in terms of their attachment to people other than their mothers. They day care infants enjoyed interaction with other people more than the home-reared infants. This finding is compatible with data from a study by Schaffer and Emerson in Scotland (1964) which showed that infants who had had extensive contacts with other people tended to develop attachment to more people than infants who had been isolated.

In regard to strength of attachment of the mothers for their children, there were again no major differences between the groups. One important factor in this study was that all infants were at least six months old when they were enrolled in day care. This policy was adopted to permit the primary child-mother attachment to develop before the child was placed in a situation that might conceivably weaken it.

Other findings in this Syracuse study which, while not directly answering our question about the effects of day care upon social and emotional functioning, demonstrate the informational byproducts that can generally be expected from broad-based research. For example, when the day care and home-reared samples were combined, we found that strength of attachment of a child for his mother was correlated with developmental level. That is, children whose development was most advanced usually were rated as the most attached to their mothers. Similarly, there was some evidence that the most advanced babies tended to have the most attached mothers. Both of these findings corroborate the generalization that one cannot effectively separate early manifestations of intelligence from other aspects of development.

Several other projects are continually monitoring the social and emotional development of infants whose early experience has included day care. Within the next five years a great deal of information on this topic should be available to us.

5. Young children in day care do not necessarily become emotionally disturbed. This conclusion is also stated negatively, as there were valid theoretical reasons to remain alert lest this occur. Gain data from the Syracuse project can be offered to substantiate the point. In 1968 Dr. Samuel Braun, a child psychiatrist, was asked to do what is generally called a "blind" study on all the children in the group of three-four-year-olds (Braun & Caldwell, in press). For many people the only acceptable cutting point for enrolling children in day care was age three--any children put in such a situation at an earlier age were likely to become emotionally disturbed, or so it was predicted. Those of us who operated the Syracuse program were eager for reassurance that our procedure developed to offer cognitive and social enrichment was not producing emotional damage. Accordingly Dr. Braun spent

a week with the children in the two oldest groups--helping in the classrooms, eating with them, going to the bathroom with them, riding to and from school with them, talking with their teachers, just observing them, etc. At the end of that time he rated each child on a scale of 1-5, with "1" indicating good adjustment and "5" indicating poor adjustment. Of the total group only one child received a rating of "5" and only four received a rating of "4", indicating that in general the 30 children were relatively well adjusted. After having that as reassurance, we looked to see whether the distribution of ratings differed for the children who had entered the program younger than three and those who had enrolled at or after age three. The distributions of ratings for the two groups were virtually identical, indicating that early enrollment (prior to age 3) need not be associated with a high incidence of emotional disturbance. Again,more reassurance.

6. Children in day care develop a feeling of community. For some time we have thought that our early day care children "cared for" one another more than one usually finds in groups of children of similar age. (One informal criterion of this is that sometimes they seem to fight more--like siblings.) They are often deeply concerned about another child's rights, about whether Mary has had her turn or whether the teacher dealt adequately with Eric when he pushed Gerald off the tricycle. A hint that this might be the situation can be found in published reports (see Freud and Dann, 1944) of the social behavior of parentless children who were released from concentration camps in eastern Europe after World War II. These children seemed to find their strength in each other and to resist for some time the establishment of close ties with new adults and with other children. Currently Lay and Meyer are collecting some observational data on 20 kindergarten children who are "graduates" of the Syracuse Children's Center, most of whom have been together in day care from early infancy. These children are now enrolled in a school with 20 additional children who were not part of the day care sample. Using a time

sample observational technique, Lay and Meyer found that although the "new" children distributed their social encounters rather equally over the entire group of 40 children, the social interactions of the former day care children were largely among themselves. That is, they tended to stick with the children who had "graduated" to the new environment together, although over the course of the year (as new friendship patterns developed) this tendency weakened somewhat. This suggests that these little children from diverse family backgrounds moved to a new social setting as a small community--sticking together, helping one another, offering a familiar base until the new environment could be more readily apprehended. Several of the children were from unstable and disturbed families, and most were from families burdened in economic difficulties; yet their "togetherness" had helped them adjust to a new situation and had strengthened in them the feeling of community that we need to encourage in all children.

7. Children in day care have a better chance of being Americanized. I wish to use this rather archaic-sounding term--Americanize--to highlight the absurdity of some of the charges that have been leveled against the recently defeated (and momentarily underground) comprehensive child care bill. Everyone interested in day care knows the highlights in the sad chronology of events of December, 1971. The Comprehensive Child Development Act, inserted as a section of the bill authorizing extension of the OEO, passed the Senate, then the House, and then was promptly vetoed by the president. An attempt to over-ride the presidential veto in the Senate failed by seven votes to achieve the needed two-thirds majority. In his message accompanying the veto the president condemned the child care provision for its "fiscal irresponsibility, administrative unworkability, and family-weakening implications of the system it envisions." The president was justifiably concerned about this veto, as, shortly after taking office, he had by Executive Order created the Office of Child Development and had committed his office to do everything possible to strengthen programs for

children during the first five years of life. Although participation in the programs was to be voluntary, and although local parent councils would guide all programs that became operational, the president claimed to fear that the child development programs would eventually become mandatory and thus serve to destroy the family. He said: "For the Federal government to plunge headlong financially into supporting child development would commit the vast moral authority of the National Government to the side of communal approaches to child rearing over against the family-centered approach."

An illustration of this position can be found in the following quote from the Congressional Record, the remarks made by a California legislator who shall remain nameless:

> "Of course, Mr. Speaker, they do not yet ask for power to take children by force. That never comes first. But, Mr. Speaker, as surely as twilight follows sunset and darkness follows twilight, it comes last. It is the end to which all such programs logically tend. The family is the backbone of any healthy society. Destroy the family and we destroy America. This 'child development' legislation aims at providing a substitute for the family in the form of committees of psychiatrists, psychologists, sociologists and social workers. But there is no substitute for the family. A Nation of orphanages cannot endure, and should not. It is an offense to God and man."

This bit of impassioned rhetoric was followed by the piece de resistance:

> "Walk into the halls of the Department of Health, Education and Welfare and think of having it in place of a mother."

This charge has come to be labeled the "Sovietization" issue--such programs will mean that we are changing our basic socialization pattern to conform to that used in collective societies. This is, of course, a spurious issue, deliberately employed to confuse and mislead. A few careful substitutions in part of the above quotation will perhaps help to strengthen my point:

> "This 'education' legislation aims at providing a substitute for the family in the form of committees of superintendents, principals, and teachers."

For is that not what we do in our public schools? Do we not now let teachers help our children learn how to read and cipher instead of their parents as used to be the pattern? And has not vocational education broken up the pattern of family apprenticeship? To assert that an experience which can help children achieve the goals for which this country stands will "Sovietize" them indicates just how far we have strayed from those original goals. Did we not develop a system of public education in this country precisely because our forefathers recognized that no set of parents could hope to do all that was needed to educate (i.e., socialize) their children?

Thus to counter some of the irresponsible charges as to possible consequences of progressive child development legislation, I wish to suggest that early child development programs can do much to help Americanize American children. Let me relate a poignant anecdote to illustrate my point.

This occurred in the kindergarten of our extended day school, a comprehensive educational day care facility for children ranging in age from under one year up through the sixth grade. One of the most popular children was a little white child whose two best friends, one a boy and one a girl, happened to be black. Around Christmas time the girl's parents indicated their intention to withdraw her from the school, as the racial composition had shifted from about 50:50 to 75:25 black-white. "It seems that she never talks about anybody but the black children," complained the parents. One of our social workers talked to the parents about the matter, trying to accept their feelings without remonstrance while reiterating our policy of admitting children without regard to race and urging that the child be permitted to remain in what was obviously a highly rewarding and enjoyable environment for her. The parents thought the matter over and kept the child in school. The first morning after the Christmas holidays, the little girl came into the room and, in her customary didactic style, pointed individually to each child in turn and announced, "I can play with you, and you, and I can't play with you, or you, or you. . ." With the honesty of a child she freely verbalized the agreement that had allowed her to remain in school: "If I do my momma's going to whip me and my brother's going to beat me up." The earlier favorite friends of the child were crushed, and the child herself had obvious difficulty remembering the new rules as she fell into her school routine. Fortunately with the help of a sensitive teacher who gently interpreted that rules that were made at home did not always have to be followed at school, the admonition was quickly forgotten and old friendships were restored.

To whom did the teachers in our day care school have an obligation? To those parents, whose love and devotion to their child expressed itself in a very un-American concept and type of behavior? Or to the child who deserved a better chance to learn how to adapt in a pluralistic society in which representatives of all ethnic and cultural groups have equal rights and privileges? Was the child who was being encouraged to behave in the context of a set of values that obviously contradicted those of the home being Sovietized? Communized? Not at all, but she was being Americanized. I submit that one of the nicer things that can happen to children in day care is that it gives them an opportunity to rise above their parents' narrowness of vision in realizing the fuller meaning of that now seemingly anachronistic phrase, the American dream.

Summary

In these remarks, I have tried to suggest that what happens to children in day care need not be a negative experience for young children, as so many people seem to fear today. In fact, in the few programs in which systematic research has been done, quite the reverse has been shown to be the case--quality day care is associated with intellectual gains, with the acquisition of adaptive social skills, and with healthy,physical and emotional development. A response to such data might be a rejoinder that such experiences can obviously be good for children but that they are seldom found in day care. What is the proportion of such programs amont the array of centers and day care homes scattered all over the country? In how many do you find happy children, and in how many do you find children eating lunch off the lid of the garbage pail (to cite one horror story that comes from my own state)? And in what proportion is there a sensitive program, geared to children's developmental needs in contrast to a steady diet of TV throughout the day? Unfortunately we do not know the answers to those questions, but one of the more encouraging trends of the past five years is that we are beginning to bring all categories of day care under public scrutiny. All states now have some kind of licensing procedure for day care, albeit the standards vary widely from state to state. And although licensing can in some respects be seen as encouraging premature crystallization of operational patterns without ample opportunity to explore and try different forms of service, in general it offers one of the best protective mechanisms that we have. If consumers are to get good day care, they must realize their obligation to find out about the situation, visit centers and keep in contact with state and national legislation programs.

Finally, I would like to suggest that as consumers we must all demand constant monitoring of day care programs to ensure experiences for our children that are conducive to wholesome development. Horace Mann once said that education was too important to be left up to either the professional educators or the parents--it had to be the concern of all citizens. The same is true of day care. Today one hears cries from potential consumers for more and better day care, and sometimes these demands appear to have but little concern for the welfare of the children involved. "We need more day care centers so their mothers can go to work and get off the welfare rolls." And, "We want more child care centers so that women can realize their potential." These are legitimate concerns of our society, for we do want our citizens to be able to function independently, and we do want our women to have an opportunity to realize their own destiny. But sometimes it is hard to shake the fear that those who make these demands are minimally concerned about what happens to the children. If day care does weaken family life, we need to know this, for as of this time we do not know of a successful way to rear children (in terms of how our society has traditionally defined success) apart from families. We must, in short, keep constantly attuned to generate continuing answers to the question asked in this paper. We can have cheaper day care by not bothering to monitor, by not bothering to care. But in the long run it will cost us much more.

REFERENCES

Ainsworth, M.D.S. Object relations, dependency, and attachment: a theoretical review of the infant-mother relationship. Child Development, 1969, 40, 969-1025.

Braun, S.J. and Caldwell, Bettye M. Social adjustment of children in day care who enrolled prior to or after the age of three. American Journal of Orthopsychiatry, in press, 1972.

Caldwell, Bettye M. and Richmond, Julius B. Programmed day care for the very young child -- a preliminary report. Journal of Marriage and the Family, 1964, 26, 481-488.

Caldwell, Bettye M., Wright, C. M., Honig, A. S. and Tannenbaum, J. Infant day care and attachment. American Journal of Orthopsychiatry, 1970, 40, 397-412.

Freud, A., and Dann, S. An experiment in group upbringing: Psychoanalytic Study of the Child, 1951, 6, 127-168.

Glezen, W.P., Loda, F.A., Clyde, W.A.,Jr., Senior, R.J., Schaeffer, C.I., Conley, W.G., and Denny, F.W. Epidemologic patterns of acute lower respiratory diseases of children in a pediatric group practice. Journal of Pediatrics, March 1971.

Keister, M.E. "The Good Life" for infants and toddlers. Washington, D.C.: National Association for the Education of Young Children, 1970.

Lay, M.Z. and Meyer, W.J. Effects of early day care experience on subsequent observed program behaviors. Final report, United States Office of Education, Subcontract No.70-007, Syracuse University, 1971.

Prescott, E., Jones, E., and Kritchevsky, S. Group day care as a child-rearing environment; an observational study of day care program. Pasadena California, Pacific Oaks College, 1967.

Robinson, H.B. and Robinson, Nancy M. Longitudinal development of very young children in a comprehensive day care program: The first two years. *in press*, *Child Development*.

Schaffer, H.R. and Emerson, P.E. The development of social attachments in infancy. *Monographs of the society for Research in Child Development*, 1964, *29* (3, Whole No. 9[illegible], 1-77.

Senator MONDALE. Thank you very much, Dr. Caldwell for a most interesting statement.

Dr. Senn?

Dr. SENN. Senator Mondale, my name is Milton J. E. Senn. I am a physician. My present academic title is "Sterling Professor Emeritus, Pediartics and Psychiatry, Yale, University."

I feel Dr. Meers and I have some things in common. We both are primarily clinicians. We both are interested in and foster a belief that day care is important for American children. We both have concerns about hospitalism, and effects of institutions on children and their development. We differ in the sense that I think that he overemphasizes the influence of institutionalization in the comparison with day care.

For example, we all know that hospitals can do harm to infants and children. We do know, also, that this can be prevented and many of the psychoanalysts in this country, including René Spitz, whom he quotes, have attempted and have successfully changed hospital care.

Dr. Meers and I also differ in the sense that I think he unfairly compares children in institutions, meaning 24 hour, long term care, with day care, short term, part time experiences. Furthermore I feel that Dr. Meers probably has not had as many experiences with normal children and their development as I have.

I think I have lived longer than many and my opportunities have permitted me to observe normal growth and development in great detail, and over time.

As many psychoanalysts and psychiatrists do, Dr. Meers spends much time with people sick and in distress.

For 20 years I was director of the Yale Child Study Center. I have studied, done research and written on the subject of child care rearings since 1940.

I have included in this two periods of study inside Russia, where I observed infant and child care practices in the largest cities, and as well as in the rural areas of the Ukraine and Tashkent. My first visit was in 1958 when I was accompanied by Ernest Havemann, the well known journalist and photographer. The second trip was in 1961 when I was privileged to see child psychiatric facilities never before witnessed by an American scientist.

From 1964 until the present time I have prepared an oral history of the child development movement in America for the National Library of Medicine in Bethesda, and the National Institute of Child Health and Human Development. This consists of interviews with 31 pioneers in the field, including persons who established the first day care centers in the U.S.A. in this century.

In that connection, I must emphasize that day care centers are not new inventions in our country. Day care centers, sometimes called day nurseries, and nursery schools for working parents were sponsored by such leading institutions as the University of Iowa, and the Merrill-Palmer School in Detroit in the early 1920's.

In those days there was already concern about the "disintegration of the American family." Centers for the care of young children (preschool) were recommended to provide supplementary care, to help *keep families together.*

In 1929–36, preschools were developed under the U.S. Government Relief Administration. These were called WPA nursery schools. The Government sponsored development of facilities and physical plants, architecture and equipment, appropriate for use of young children.

In 1942 Governor Olson of California, disturbed by the plight of thousands of children of working mothers, appointed Dr. Lois Meek Stolz as his assistant to develop a program of care for these children.

As Coordinator of Child Care she helped communities apply for Federal Lanham Act funds and set up quality centers. Within 8 months, Edgar Kaiser, then serving the Federal Government as an expediter of shipbuilding for war service, on request of the President of the United States, to speed up production because of a crisis, drafted Dr. Stolz for work in Portland, Oreg.

In order to get enough men and women to work, and to work overtime in defense work, daycare centers for their children were set up on a 24-hour basis, three shifts (8 to 10 hours per child) not 24 hours per child.

These centers provided protective care, plus learning opportunities, nutritious meals, and medical care. Among the children cared for were 2 year olds—something professionals (doctors and educators) said could not be done without harm to children and families.

These experiences have been written up and published by Professor James Hymes and others. Admiral Land, head of the Maritime Commission at that time was particularly impressed with the overall contributions of the centers—to defense, to child care, to family life.

Dr. Stolz has also had a hand in our recent Headstart program. She is worth quoting:

> . . . having participated in the FERA nursery schools of the depression, the war nurseries, and later in Head Start, I feel like saying I am sick and tired of the government's stop-gap programs for children. They are always brought about by some social calamity. They are not brought about by thinking through what is important for children on a long range basis. I think it is high time the government put funds into having a continuous program for children from birth up to school age, and that this should be planned in terms of consultation centers and clinics and for babies and nursery schools, and consultation for the preschool years until they enter school.

I would like to point out, as Dr. Meers has said, there does seem to be an advantage in making studies longitudinally over the long term. The sad part is that when they are started, because they take long, the data are not available to help people in situations confronting us, as today the daycare problems confront us.

Because of the lengths of time and the vast amount of work entailed, the costs are very great and the history of our Congress and the persons in our Government is that they cut short good longitudinal studies. Good things get started and are cut back by the Government in the name of costs. This approach is too costly to do something for children today, and to support people who are attempting to find the answers to problems Dr. Meers raised.

I am absolutely positive from the history of longitudinal research in this country, that such a study would have a short life, not long enough to bring forth the data that Dr. Meers seeks.

Daycare centers are springing up by the thousands in this country, not because someone in Government is setting them up. But because the people are; in store fronts, in ghettos; where they can give children even one hot meal a day, because they are not getting one elsewhere, even in their own families.

And so I would like to affirm two things. One, daycare for preschool children as young as 2 years is *not* a *new* American development; and, two, *we are in another crisis.*

Hundreds of infants and young children are not now being cared for adequately in their own families because parents, or an only parent works, or parents are unable to take the responsibility; so their children are cared for in homes of neighbors or relatives, in unlicensed daycare centers, in hospitals, in foster homes (approved and unapproved), where the care often is impersonal, discontinuous, crisis laden, unfriendly, and temporary; and where the physical plants are firetraps, unsanitary, and dangerous.

I feel that Dr. Van Dan Haag speaks as an "arm chair academician," someone who writes articles about other people's research about children, while I have been a physician in a black people's ghetto daycare center in New Haven for 2 years in the 1960's and a frequent observer of daycare centers and Headstart schools in Connecticut and in Mississippi. These centers not only provided physical care, but one nutritious meal a day, regular physical examinations, parent counseling, and education. Cases of nutritional anemia were recognized and treated early.

Senator MONDALE. Would you yield there?

One of the things that mystifies me about the charges that this bill would break up the family and so forth is that I have been working several years on preventing just that.

We have had days and days of hearings. We have heard from all the voices that we thought needed to be heard from, and most of them are very supportive. We are concerned about poor daycare centers and we tried to build into this program a protection against that.

We were mindful that the recent White House Conference on Children, selected by President Nixon, in which he drew together the best people he could find . . . specialists, children, parents . . . realized that the most important thing to have was family-oriented child development programs.

The Commission on the Mental Health for Children, which represented the most distinguished and experienced psychiatrists and psychologists, came down strongly for this proposal. Dr. Lourie, who was the Director of the Commission testified very strongly in favor of this bill. He practices in the ghetto all the time. He came down so hard for this program.

We don't want to damage children. We don't want to break up the family. I am not a clinician, but if we continue to do to children what we are doing today, we are just mangling them, destroying them, and cheating them. Is that our best effort?

Now some say, "Let's have some more research, or let's just send money," but many of the forces that are sponsoring this testimony are the people who fight sending any more money.

So we end up being blocked wherever we go, and the children are the losers.

Am I to understand that there is a large respectable branch of your field that feels that this proposal is damaging and dangerous to the families and the children of this country?

Dr. SENN. Senator, I find nothing in your bill that I consider damaging to the children of this country. I am deeply concerned about what might happen to your bill when people attempt to cut it back financially.

Senator MONDALE. That is right.

Dr. SENN. When they begin to cut corners and prevent you from carrying out what you want to carry out, namely the provision of quality care.

Senator MONDALE. Right. I had an amendment last year, which I am going to offer again, which says that the program cannot be spread beyond the number which can be cared for in a quality environment. Of course, we have accepted the Ribicoff amendments, which write very strong quality minimum standards into this legislation, because what you express concern about often happens with good programs. They say "we are going to serve more," and they end up serving nobody.

That worries me, too. There are some risks, if it becomes diluted. That is certainly not what we want and that is why we will have tough anti-dilution provisions. But what is the greater risk, to do nothing and let the children be destroyed as they are today, or to try to do something that makes sense?

Dr. SENN. I don't believe you as a man of conscience, and you as a responsible person in government cannot do something. I think it must be on your conscience to attempt to do something, and I applaud what you are attempting to do in this bill. I feel you have been hamstrung by various people, not permitted to go as far as you should.

Senator MONDALE. The alternative is here. Something is going to happen today. This is not an issue. That is over. A third of the mothers are working. It is not a theoretical question. That is happening. Five million preschool children live in families where the mother is working. And 3 million preschool children belong to poverty stricken families, are not getting enough to eat, and so forth.

That is happening. The President's proposal is a national system of custodial daycare centers run by State welfare departments. That is the alternative.

Dr. SENN. There are hundreds of new daycare centers in New York City alone; unlicensed, unrecognized by any group, because the people, the mothers, are demanding that their children have something better than they are now having; that they not be latchkey children, not be out in the community cared for by anybody who happens to be around that day.

Senator MONDALE. The National Council of Jewish Women just completed a survey of centers like those, and most of them are disastrous. The council concluded that the Headstart programs were one of the few quality efforts in the field. And our bill tries to build on the Headstart approach.

But unlicensed daycare is growing up like Topsy. No one is watching it. Children are being, I think, greatly damaged. The question is: Are we going to do something about it?

Dr. SENN. To go back, I was talking about by experience in the centers. By including the parents in the examinations, in conferences on planning, in seminars on child development and in the parents' roles in child care and education, families were kept intact, and parents felt that satisfaction of "being good parents."

Far from using any foreign model, or any stereotyped American model, these centers were often innovative and original; and they had to be to survive. There was never concern of coercion of any kind, which made for competitive efforts in seeking excellence in the programs, and produced active participation by parents.

In the proposed federally sponsored child development bill of Senator Mondale et al. I am pleased at the demand for excellence and quality in every aspect of that program. Under the Office of Child Development and its very competent Director, Edward Zigler, I am sure every effort will be made to achieve only high quality, comprehensive care.

I would feel very uncomfortable if such responsibility relied mainly on local, State, or Federal agencies where political motivation was the basis of decisions. It is not Sovietization when we say "Our children are our greatest asset." Our Government *must* take an important role in planning programs for their optimal development, if our American society is to survive and take an important part in world affairs.

I am aware of the shortage of trained child care specialists in our country, but we have learned that parents who participated in quality child care furnished in Head Start Centers often showed great capacity for learning and creating new techniques. They have taught the professionals much about child care and family life.

Not only mothers, but fathers have shown interest and ability in becoming child care workers when supervised by competent professionals. Furthermore, national organizations like the Association for Aid of Crippled Children in New York, the Bank Street College in New York City, and many universities have, or are in the process of setting up a variety of training programs for the very specialized students, and for the so-called paraprofessional or part-time assistant.

I am delighted to see that these bills provide a year's leadtime and a $100 million authorization for training and planning before the program become operational.

In conclusion I should like to say that day care is not a new invention. That such care has proven it can be of high quality if we strive for that, and only if the Federal Government supplies the necessary monies and high grade, competent, professional supervisors.

That there already exist potentially worse alternatives to quality group day care, I must emphasize; that these alternatives have been present increasingly as our society has grown more complex, that there is ample and reliable documentation to all this, is well known to every physician, to many other professional persons, and to lay citizens who take the time to find out where many of our "problem children" come from.

Furthermore, if (and I hope this is true of persons in Government) people take the time to calculate what society now spends for these children in foster care, mental hospitals, training schools, prisons and other "correctional" institutions, they will find the amount staggering and the results in terms of rehabilitation negligible.

As the founder of child psychoanalysis, Anna Freud, says from her experience not only as a psychoanalyst but as an observer of children in her preschools, "Nursery schools" (what we call comprehensive day care centers in 1972) "have always been planned as extensions of the home. They provide space where the home is crowded, safety where kitchens or streets are dangerous to play in, toys to be handled where family possessions have to be respected, and attention and interest from the teachers where mothers are overworked and harrassed.

"This was true of the proletarian nurseries in Middle Europe and in Russia. In America, on the other hand, where nurseries for the middle class are no less frequent than elementary schools, they provide the community life for which the child is ready, and which the small middle class family is unable to find.

"In none of these cases were the nurseries meant to substitute for the home, no more than a free milk scheme in schools is meant to substitute for home cooked meals, than welfare clinics do away with the need for the mother's care or child guidance clinics with the need for educational efforts on the part of the parents.

"All of these services were simply extensions of the home, and they worked best when allowed to function each as one link in a chain of public services for child welfare."

Senator Mondale. I would like to thank you very much for a most useful statement. If everyone is willing I would like to take just a minute's break and then let Mr. Meers respond for about five minutes and then let somebody else respond so we can find out the answers—this sounds like you are describing two different worlds.

(Whereupon, a brief recess was taken.)

Senator Mondale. The committee will come to order.

Doctor, you have five minutes.

Dr. Meers. Thank you for the opportunity of adding further comment. Dr. Senn, who is a very eminent and very respected man, and if there were day care centers around, I would hire him to run them. I respect both Dr. Senn and Dr. Caldwell for what they do. They mention Anna Freud, whom I studied with in London. These are people who attract good staff and much devotion, and they get something that is unusual, in my experience.

It is a fact that I am not an expert on daycare in the United States. I have never intended to be, and I did not declare myself as such. The question you asked Dr. Senn, which has not been answered, is whether there a body of professional opinion that is intelligent and learned that would view this legislation as potentially damaging.

About a month ago, I presented part of my material to the Academy of Child Psychiatry here in Washington, which Dr. Zigler moderated. It was a very interesting group of child psychiatrists, and I assure you that one did not hear any disclaimers that mine was some kind of a bizarre point of view. On the contrary, Dr. Bermen, who founded child psychoanalysis in this city shares the concerns I am raising.

I would like to ask Dr. Senn if he would agree that there is a sizable group of psychoanalysts who are concerned.

If you understood my comments as suggesting that I thought your bill was Soviet oriented, that was not my intention. My intention was to draw upon the limited experience I have had, to point out that when one bureaucratizes day care, that even the Communists can *not* use them ideologically.

I repeatedly asked whether day care was a program for this type of ideological indoctrination, and no one had ever heard of this in the Soviet Union, Prague, or Budapest. The problems of staffing are of such a magnitude that I think you are going to get good centers only if you have a Dr. Senn, a Dr. Caldwell, or other such people.

We are thinking of something we need today, and of course we need it, and we need it badly. But to say that there is no danger in staffing on a large scale is naive—I think you are going to have to find this out yourself, by way of demonstration projects in the major cities.

We need day care. We can start it and see what we get. There is enormous dedication in the Kibbutzium where the child care specialists are selected by communal group meetings. Yet even they have a 20 or 30 percent turn over a year. Only something like 15 or 20 percent at most of staff have been continuously working in such programs for over ten years. That is a high turn over rate, even with very dedicated people. I would add that I have worked as a social worker in public welfare programs, and what I have seen at the local level in large bureaucracies where children are involved, leaves me very, very scared. If we make this a large program then our staffing problems will not be controllable.

If you talk about Western Europe's day care and not just Eastern Europe's, I would recall the data of Allan Marens as to Paris. He was looking at Parisian crèches. He concluded that the city government could not effectively control the bad centers. And when day care centers are bad, they can be hideous. The matter of control over centers is an important one. These are developmental years where there is a dramatic question of nonreversibility of damage.

We have heard statistics based on populations, from Dr. Caldwell's and Dr. Senns' comments, e.g. 30 or 40 or so cases. There is much controversy over this, and I know Dr. Caldwell feels strongly that if anyone says her type of work is "institutionalization" that she objects. I don't think she has looked at what occurs in bureaucracies. This is an inescapable byproduct of large, massive programs and it does occur. That is the end of my comments.

Dr. CALDWELL. I did not answer all of the things that Mr. Meers said that I would like to. I am not accustomed to being the heavy.

He pounded hard against what I have stood for, and I can't help feel it is a distortion of data, because it is just a strange reaction. I find myself wanting to know why you shut yourself off from the opportunity to have your anxieties alleviated. Why don't you go and visit some good programs, why you continue to say, "I know what bureaucracies can do", and so on. There are places where you can find a great deal of reassurance on the very points you are mentioning.

You made a statement earlier that daycare cannot be based on knowledge of child development, because we don't really know all the answers. I did not take it down exactly, and that may be a slight distortion, but that was the intent of it.

The implication was that—I think that what Senator Mondale kept asking you is the important point. What are your alternatives? What are you setting up? You sat here and described the unbelievable conditions that many ghetto children have, and then you say "We can't set up good daycare centers because we don't know all the answers."

Those parents don't know all the answers, either, but they have to cope day by day and the children have to deal with the environments created. You can only set up environments in terms of what answers you have now. Daycare can be based on such knowledge of child development as is reasonably valid, hopefully, tested and so on, certainly just as much as parent programs.

You asked me a question as to whether developmental declines have ever been reversed at later periods. I don't know what you meant by later. If you meant later than infancy, the answer would be yes. If you meant later than the early childhood period, our information gets more skimpy, because the thrust has been to do research on what happens in the early period.

I do, as I said awhile ago, have a copy of the paper I would like to give you. We have a great deal of data published on that now.

You also sort of attacked me—and that is the word—for saying that group care was the typical experience for children in our society until recently. I did not mean group care. If I had said that, I will have to check back. I think you are referring to a paper that was given verbally at a meeting, not the published version.

But what I obviously meant—yes, that is the pre-publication version. I take the fancy rhetoric out before it goes to press—was extended family care. That has indeed been the species pattern. Until the last two generations children throughout the most of the world have grown up in extended families, where you had a husband-wife couple with families around, an aunt, uncle, cousins, and grandparents, and so on. It has only been like one and a half generations that American children have had the experience of being expected to grow up totally in a nuclear family.

That statement about your Soviet friends and their mariages is risky. I happen to have been married 24 years to one man, who has been married 24 years to me. But an awful lot of our friends are on number 2 and number 3, and I don't think any of us grew up in daycare. I would be very shy about drawing any conclusions from the fact that many Russians have a high divorce rate, because the American family is experiencing a similar frequency of changeover in families. The little book Profiles of Children, by the 1970 White House Conference on Children says there are 7 million children growing up in one parent families. No one can give you statistics on multiple families.

I don't think it takes a bureau of the census to give you the answer. Look around at your friends. You know it happens very frequently, and I would be very shy about assuming that that in any way it is related to early group experience. It is related to something we all need to understand, but certainly not that.

My final point would be that something in response to something Dr. Van Dan Haag said, that there is no evidence that cognitive training can have effects on personality functioning. I found that a strange statement, because who looks for the effects of cognitive training on personality functioning? You look for the effect of cognitive training on cognitive functioning and you look for the effects on what you set up in the way of a social and emotional experience in those areas. There are indeed effects of cognitive training on cognitive functioning, and I sent Mr. Johnson a copy of a paper in which I recently tried to review all that I could find at the present time from the many different models, home tutoring, daycare, 1 to 1 small groups and so on, that are concerned with the earlier period of life, and we do have more and more evidence accumulating that you have effects.

The stability of these effects, as Dr. Senn said, is something we very much need to know about, because there is often a pattern of funding for awhile and then people lose the funding. This means that we often lack the opportunity for followup. I feel we will desperately need long term follow up in this area, and I hope one of the things that can come to pass with your bill, and I see it as one of the strengths, that there will be this opportunity for monitoring, for following children who have had this experience and for keeping the entire country alert to what these effects are. The pattern in the past has been to make a quick evaluation and then you leave. We do need to investigate and understand the long term effects.

Senator Mondale. Thank you very much.

Dr. Senn?

Dr. Senn. To answer the question Dr. Meers puts to me, I would guess that every conscientious psychiatrist and psychoanalyst in this country would agree with him that young children are vulnerable to trauma, particularly that brought about by happenings to parents, happenings which interfere with the parental-child relationship. But I also believe that Senator Mondale and others who are sponsoring his bill have concern with quality care, to avoid trauma in day care.

Certainly mothers around the country have this concern. It is interesting to me that when I go around the rural areas of Mississippi and talk to mothers, many of whom work in the headstart centers, and ask them what they want most, they want information about child development, child health, child care. They want to learn this in order that they can apply it and do better as parents.

They are not turning these children over to somebody else. So I underscore what Dr. Meers has pleaded for, namely, quality control. I also share his concern that sometimes bureaucracies fail to guarantee quality care. On the other hand, I can point out that the Child Welfare League of America, monitoring the franchised daycare centers in this country, centers not put up by any bureaucracy, but by private enterprise for gain, have found some of them to be dangerous to the children served.

It is not a matter of bureaucracy versus private enterprise.

Senator Mondale. We talked about what the alternatives are. It is our proposal which tries to have comprehensive, developmental programs with quality standards, with training periods, keeping it as local as possible.

Another is simply a custodial program for welfare mothers. One other is this Colonel Sanders program, or private daycare programs around the country where anybody gets involved, like we are seeing in nursing homes today, for profit, coupled with tax deductibility, and with practically no protection with respect to standards.

Those are the three major proposals that are knocking around that I know of today.

Mr. Meers. May I ask a question?

Senator Mondale. Sure.

Mr. Meers. In terms of your thinking on this, and also the two very distinguished people here who have had a good deal of experience, with daycare. One of my continuous concerns has been the age of the children. I think there are families where there is no question that from birth onward daycare is essential.

Dr. CALDWELL. You don't say that.

Mr. MEERS. I said that. I have found the most abominable things in the world in particular families, and that justifies intervention. I am supportive, but the question is one of options. I would like you to reply to this question: Have you changed your view on placement of babies under the age of 6 months, or do you feel there is a risk and, if so, what is the risk? What about under age 1?

One of the other questions raised here has to do with symptopathology and happy children. I have been around enough "institutionalized" children to know the classic syndrome includes "uncle" in Germany and "daddy" in our facilities. These "happy" children are as socially promiscuous as can be.

I have not wanted to impute something "evil" to quality care. I am talking about implicit latent dangers and how we are going to check out consequences. Psychopathology in young children is difficult to diagnostically assess.

You can't distinguish a psychotic child from a retarded child in many instances, and may be almost impossible under age 2. Even the word psychotic begins to lose its meaning when you are talking of age 2. But this type of severe pathology we don't expect to see. We expect to have the more invisible ones, those that affect character structure.

We don't have research data on this, and that is why my recommendation is for longitudinal research, which we need badly. It should be tied right in with the legislation that establishes these centers. I am asking about the question of age now.

Dr. CALDWELL. I have changed ideas from time to time but there has not been that much opportunity for getting data on this point. I have just been involved in two programs and in each we had the policy of not admitting children younger than 6 months of age. You know the reason. We wanted the children to be attached to their own mothers prior to entering day care. But there are infant centers now, particularly those that have been set up to help teenage unwed mothers, that are taking the children into some kind of day-care setting almost from birth, so the mothers can continue their education. We need to know the effects of this very early admission.

You not only think all or none, you think of day care as always being a 9- to 10-hour day total separation experience, and one of the things many of us have encouraged—and I think is implicit in this bill—is that it does not have to be a 9-hour complete separation. In order to be a corrective or prophylactic experience only 1 hour a day or 3 hours a week might be satisfactory. If the mother has full employment, however, full day care will be needed. Even these short programs need to have as much time and attention as a full day comprehensive child care program might.

So it seems to me that we desperately need information on this. And the only thing that I keep being so puzzled by in your statements that you sound like you are closing it all out, rather than saying, "Let's be careful."

I want caution, and I have been urging that for 8 years in this country. I have not advocated going overboard and providing such care for everybody. But you start out by indicting day care and making it sound as if the alternatives are ipso facto good for the child. The alternatives are frequently a very barren, a nonstimulating, disorganized and confused situation. I want to see child care that is an extension of or a supplement to the family, nothing else.

I want to see it given a chance because of those very children that you described earlier. If you concentrate too much on the possible negative dangers and forget the hazards in the present situation, you don't have a chance to find out about it.

Mr. SENN. Can I answer Dr. Mears' last statement? As a clinician, I am surprised that he does not believe that on occasion—much more often than we would like to have it happen—we find ourselves with mothers who are incapable of caring for their babies for very long periods of time each day.

In a book we wrote, and published by Harvard University Press, called The First Born, we described instances of people who could not in their own homes, adequately care for their own baby. This was not even a question of lack of money; but something in that mother prevented her relating to that child, so that he became developmentally retarded; not for all time, not mentally deficient, but retarded.

Psychiatrists often find families where there needs to be intervention; but where there is not available a good, healthy intervening agency.

There is not an adequate substitute to keep the child temporarily out of his own family, at a time of crisis. As a pediatrician in New York, many years ago, my wife and I—before we had a child—took in such a child, because there was no place for that child to go, and we took it to live with us, to save it from Bellevue.

I think that Dr. Meers distrusts his own clinical judgment too much.

Senator MONDALE. Could I suggest, first of all, that each of you to respond, if you, could, to the companion bill introduced by Senator Javits, who has been a leader in this field along with Senator Taft and others, S. 3228.

Could you respond in writing, if you have a chance to look at that and see what changes you would make in that and see how you would reconcile the two bills. Second, I would like to suggest to Dr. Meers the possibility that some of your ideas, maybe all of them, could be incorporated into this legislation. For example, protections concerning the age factor, staffing guarantees, staff-ratio guarantees.

I think much of that can be tied down in the legislation.

(One of the documents referred to follows. The others had not been received by the time this hearing went to print. They will be kept in the subcommittee files when they arrive.)

YALE UNIVERSITY, CHILD STUDY CENTER,
New Haven, Conn., April 8, 1972.

Mr. A. SIDNEY JOHNSON III,
Staff Director, Subcommittee on Children and Youth,
Committee on Labor and Public Welfare,
U.S. Senate.

DEAR MR. JOHNSON: I have read Sen. Javits' Bill S. 3228, and send you these comments as requested of me last week.

Overall it is a good Bill, having similarities to many items put forth in the Mondale-Nelson Bill. However, there are some that disturb me. The most important of these is the restriction of parents roles, especially of the poor. Local councils under S. 3228 are advisory. Parents should have more power to make decisions, monitor programs, help develop plans, etc. Mondale-Nelson Bill is much better in stressing the need for parent participation.

From my experiences in Mississippi, I am against any provision which puts power of appointment, program approval, authority over a program in political bonds, like a "Director" appointed by the Governor, for what usually has been a veto effect on efforts of the black people. I refer to the section in S. 3228 dealing with Local Child Development and Family Service Councils.

Does the larger allocation of S. 3228, of money for Head-start not overshadow the needs (monetary) of the new child development centers, and interfere with their establishment?

S. 3228 does *not* contain some of the good provisions for *Program Requirements* included in the Mondale-Nelson Bill (preferred for low-income people, inclusion of children from a variety of socio-economic backgrounds, career development opportunities for paraprofessionals, especially parents).

I hope Senator Javits' group and those of Mondale-Nelson can reach agreement in mutually sponsoring *now* a good Bill, for passage by Congress in this Session.

Sincerely,

MILTON J. E. SENN.

Senator MONDALE. We have heard this point you made. I have seen a lot of Federal programs go sour. I know that. Yet you have to try, it seems to me. If you think this is bad, you ought to be on the housing subcommittee. The definition is of a mature legislator is to believe in something, see this shaped into legislation, see it enacted into law, and see the funds appropriated and then see it fade.

That then is the cycle. I am not sanguine about any of this. The spreading, dilution syndrome must not be permitted to be brought to bear here. We need a heavy input on research. I feel strongly about that. As you may know, we try hard to deal with the quality of the personnel by—I think almost uniquely—postponing implementation until a year after the bill is adopted. We have a full year to be used for training, planning and technical assistance with $100 million authorized for those activities in this lead year. And we had very specific quality programs for the training of parents and for career development so that they could look forward to a rewarding career in this field.

But you see, the truth of it is that your testimony is going to be used by everyone here who is against anything that we are trying to do. They are going to use it to try to kill this program. I predict a lot of them will vote for the Colonel Sanders daycare programs, which will be up here shortly.

We really want to work something out that everyone can live with, but I have said my point. Maybe we could have a discussion between the staff and you—you live in Washington, don't you?

Dr. MEERS. Yes, I do.

Senator MONDALE. To see if we can't incorporate some or all of your proposals.

Dr. MEERS. My guess is that this subject has troubled the American Psychoanalytic Association among others. I am sure that if you want to have professional support for this bill that you could very easily have two or three people of considerable prominence who would be glad to lend their advise and recommendations.

It is not that I want to appear as critic. I feel a little discomfited by your questions addressed to Dr. van den Haag; that is, I had the feeling that you thought he had written something that could be used racially.

My investment here is with the kids, for the protection of those I have worked with for years.

Senator MONDALE. I know that, I am totally convinced of the motivation and I know your criticisms are not lightly made. But in the context that we work in, which is somewhat irrational, they will be used, I think, to hurt the very thing you want.

I would like to have our staff meet with you and others that you suggest and to see if we can, and I think the minority would like to do the same, see if we can't respond to as many of these proposals as possible, consistent with then getting it moving.

I am very skeptical about a long, sterile period of research. I think research is very important, but I suspect that we have stumbled on a lot of good knowledge through Head Start that has been helpful, and I am afraid if we don't do the best we can now that we will have nothing.

Thank you very much for your very fine testimony.

We stand adjourned.

I order printed as an appendix the bills S. 3193 and S. 3228 and other pertinent material submitted for the record.

(Whereupon, at 12:50 p.m. the Joint hearings adjourned subject to call of the Chair.)

APPENDIX I

92d CONGRESS
2d Session

S. 3193

IN THE SENATE OF THE UNITED STATES

February 17, 1972

Mr. Nelson (for himself, Mr. Mondale, Mr. Cranston, Mr. Hughes, Mr. Kennedy, Mr. Pell, Mr. Randolph, Mr. Stevenson, Mr. Williams, Mr. Bayh, Mr. Hartke, Mr. Humphrey, Mr. McGovern, and Mr. Tunney) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

---

A BILL

To provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1972".

EXTENSION OF ECONOMIC OPPORTUNITY ACT

Sec. 2. (a) Sections 171, 245, 321, 408, 615, and 835 of the Economic Opportunity Act of 1964, as amended, are each amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

II

(b) Section 523 of such Act is amended by striking out "four succeeding fiscal years" and inserting in lieu thereof "six succeeding fiscal years".

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) (1) For the purpose of carrying out parts A, B, and E of title I (relating to work and training) of the Economic Opportunity Act of 1964, there are authorized to be appropriated $900,000,000 for the fiscal year ending June 30, 1972, and such amounts as the Congress may determine to be necessary for the fiscal year ending June 30, 1973.

(2) For the purpose of carrying out Neighborhood Youth Corps programs under paragraphs (1) and (2) of section 123 (a) of such Act, there is further authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1972. No State shall receive less than $3,000,000 of the amounts appropriated pursuant to this paragraph or six-tenths of 1 per centum of the amounts so appropriated, whichever is less.

(b) For the purposes of carrying out the Project Headstart program described in section 222 (a) (1) of the Economic Opportunity Act of 1964 and the Follow Through program described in section 222 (a) (2) of such Act, there are authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1972, and $1,000,000,000 for the fiscal year ending June 30, 1973.

(c) (1) For the purpose of carrying out titles II, III, VI, VII, VIII, IX, and X of the Economic Opportunity Act of 1964, there are authorized to be appropriated $950,000,000 each for the fiscal year ending June 30, 1972, and for the succeeding fiscal year.

(2) Notwithstanding any other provision of law, unless expressly in limitation of the provisions of this section, of the amounts appropriated pursuant to paragraph (1) of this subsection for each fiscal year, the Director of the Office of Economic Opportunity shall for each such fiscal year reserve and make available not less than $328,900,000 for programs under sections 221, 226, and 227 of the Economic Opportunity Act of 1964 and not less than $61,000,000 for Legal Services programs under section 222 (a) (3) and title IX of such Act, and the remainder of such amounts shall be allocated and made available, subject to the provisions of section 616 of such Act, in such a manner that for each such fiscal year—

(A) $378,900,000 shall be for the purpose of carrying out title II of which $114,000,000 shall be for the purpose of carrying out the Comprehensive Health Services program described in section 222 (a) (4), $62,500,000 shall be for the purpose of carrying out the Emergency Food and Medical Services program described in section 222 (a) (5), $25,0000,000 shall be for the purpose of carrying out the Family Planning program described in section 222 (a) (6), $8,800,000 shall be for the purpose of carrying out the Senior Opportunities and Services program described in section 222 (a) (7), $18,000,000 shall be for the purpose of carrying out the Alcoholic Counseling and Recovery program described in section 222 (a) (8), $18,000,000 shall be for the purpose of carrying out the Drug Rehabilitation program described in section 222 (a) (9), $5,000,000 shall be for the purpose of carrying out the Environmental Action program described in section 222 (a) (10), $10,000,000 shall be for the purpose of carrying out the Rural Housing Development and Rehabilitation program described in section 222 (a) (11), and $117,600,000 shall be for the purpose of carrying out programs and activities authorized under sections 230, 231, 232, and 233 of such title;

(B) $38,000,000 shall be for the purpose of carrying out part B of title III (relating to assistance for migrant and seasonal farmworkers);

(C) $18,000,000 shall be for the purpose of carrying out title VI (relating to administration and coordination) and title X (relating to evaluation);

(D) $58,000,000 shall be for the purpose of carrying out title VII (relating to community economic development); and

(E) $45,000,000 shall be for the purpose of carrying out part A of title VIII (relating to VISTA).

If the amounts appropriated pursuant to paragraph (1) of this subsection for any fiscal year are not sufficient to assure that the full amount specified for each of the purposes set forth in clauses (A) through (E) of this paragraph will be provided for each such fiscal year, then the amounts specified for each such purpose in each such clause (after deducting from any amount so specified any amount otherwise specifically provided for such purpose by an appropriation Act for that fiscal year) shall be prorated to determine the allocation required for each such purpose.

(3) In addition to the amounts authorized to be appropriated and allocated pursuant to paragraphs (1) and (2) of this subsection, there are further authorized to be appropriated for carrying out the Economic Opportunity Act of 1964 the following sums:

(A) $2,000,000 for the fiscal year ending June 30, 1972, and $62,000,000 for the fiscal year ending June 30, 1973, to be used for the Community Economic Development program under title VII;

(B) $79,000,000 for the fiscal year ending June 30, 1972, and $109,000,000 for the fiscal year ending June 30, 1973, to be used for the Legal Services program under title IX;

(C) $5,000,000 for the fiscal year ending June 30, 1973, to be used for the Rural Housing Development and Rehabilitation program described in section 222(a) (11);

(D) $8,000,000 each for the fiscal year ending June 30, 1972, and for the fiscal year ending June 30, 1973, to be used for Domestic Volunteer Service programs under title VIII.

TRANSFER OF FUNDS

SEC. 4. (a) Section 616 of the Economic Opportunity Act of 1964 is amended by inserting: "for the fiscal year ending June 30, 1971, and not to exceed 25 per centum" immediately before the words "for fiscal years ending thereafter".

(b) Section 616 of such Act is further amended by striking out the semicolon the first time it appears therein and all matter thereafter through "$10,000,000" the second time it appears in such section.

COMPREHENSIVE HEALTH SERVICES CHARGES

SEC. 5. Section 222(a) (4) (A) (ii) of the Economic Opportunity Act of 1964 is amended by striking out "such services may be available on an emergency basis or pending a determination of eligibility to all residents of such areas" and inserting in lieu thereof "pursuant to such regulations as the Director may prescribe, persons provided assistance through programs assisted under this paragraph who are not members of low-income families may be required to make payment, or have payment made in their behalf, in whole or in part for such assistance".

DRUG REHABILITATION PROGRAM

SEC. 6. (a) Section 222 (a) (8) of the Act is amended by striking out the last sentence thereof.

(b) Section 222 (a) (9) of the Act is amended by striking out the last sentence and inserting in lieu thereof the following: "The Director is authorized to undertake special programs aimed at promoting employment opportunities for rehabilitated addicts or addicts enrolled and participating in methadone maintenance treatment or therapeutic programs, and assisting employers in dealing with addiction and drug abuse and dependency problems among formerly hard-core unemployed so that they can be maintained in employment. In undertaking such programs, the Director shall give special priority to veterans and employers of significant numbers of veterans, with priority to those areas within the States having the highest percentages of addicts. The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become nonlow income by virtue of becoming employed as a part of the rehabilitation process.

NEW SPECIAL EMPHASIS PROGRAMS

SEC. 7. Section 222(a) of the Economic Opportunity Act of 1964 is further amended by inserting at the end thereof the following:

"(10) An 'Environmental Action' program through which low-income persons will be paid for working on projects designed to combat pollution or to improve the environment. Projects may include, without limitation: cleanup and sanitation activities, including solid waste removal; reclamation and rehabilitation of eroded or ecologically damaged areas, including areas affected by strip mining; conservation and beautification activities, including tree planting and recreation area development; the restoration and maintenance of the environment; and the improvement of the quality of life in urban and rural areas.

"(11) A program to be known as 'Rural Housing Development and Rehabilitation' designed to assist low-income families in rural areas to construct and acquire ownership of adequate housing, to rehabilitate or repair existing substandard units in such areas, and to otherwise assist families in obtaining standard housing. Financial assistance under this paragraph shall be provided to rural housing development corporations and cooperatives serving areas which are defined by the Farmers Home

Administration as rural areas, and shall be used for, but not limited to, such purposes as administrative expenses; revolving development funds; nonrevolving land, land development and construction writedowns; rehabilitation or repair of substandard housing; and loans to low-income families. Loans under this paragraph may be used for, but not limited to, such purposes as the purchase of new housing units, the repair, rehabilitation and purchase of existing units, and to supplement existing Federal loan programs in order that low-income families may benefit from them. The repayment period of such loans shall not exceed thirty-three years. No loans under this paragraph shall bear an interest rate of less than 1 per centum per annum, except that if the Director, after having examined the family income of the applicant, the projected housing costs of the applicant, and such other factors as he deems appropriate, determines that the applicant would otherwise be unable to participate in this program, he may waive the interest in whole or in part and for such periods of time as he may establish except that (1) no such waiver may be granted to an applicant whose adjusted family income (as defined by the Farmers Home Administration) is in excess of $3,700 per annum and (2) any applicant for whom such a waiver is provided shall be required to commit at least 20 per centum of his adjusted family income toward the mortgage debt service and other housing costs. Family incomes shall be recertified annually, and monthly payments for all loans under this paragraph adjusted accordingly.

COMMUNITY ACTION BOARDS

SEC. 8. The last sentence of section 211 (b) of the Economic Opportunity Act of 1964 is amended by striking out "three" and inserting in lieu thereof "six" and by striking out "six" and inserting in lieu thereof "twelve".

NON-FEDERAL CONTRIBUTION CEILING

SEC. 9. Section 225 (c) of the Economic Opportunity Act of 1964 is amended by inserting after the second sentence thereof the following new sentence: "The Director shall not require non-Federal contributions in excess of 20 per centum of the approved cost of programs or activities assisted under this Act."

TERMINATION OF ASSISTANCE

SEC. 10. Section 231 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

"(d) If any member of a board to which section 211 (b) applies files an allegation with the Director that an agency receiving assistance under this section is not observing any requirement of this Act, or any regulation, rule, or guideline promulgated by the Director under this Act, the Director shall promptly investigate such allegation and shall consider it; and, if after such investigation and consideration he finds reasonable cause to believe that the allegations are true, he shall hold a hearing, upon the conclusion of which he shall notify all interested persons of his findings. If he finds that the allegations are true, and that, after being afforded a reasonable opportunity to do so, the agency has failed to make appropriate corrections, he shall, forthwith, terminate further assistance under this title, to such agency until he has received assurances satisfactory to him that further violations will not occur."

DISTRIBUTION OF FINANCIAL ASSISTANCE

SEC. 11. Section 244 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

> "(8) Consistent with the provisions of this Act, the Director shall assure that financial assistance under this title will be distributed on an equitable basis in any community so that all significant segments of the low-income population are being served."

AMENDMENT TO MIGRANT FARMWORKERS PROGRAM

SEC. 12. Section 312 (b) (3) of the Economic Opportunity Act of 1964 is amended by inserting after the word "Government" the words "employment or".

PLAN REPORTING DATE

SEC. 13. Paragraph (3) of section 632 of the Economic Opportunity Act of 1964 is amended by inserting at the end thereof the following: "Such plan shall be presented to the Congress no later than August 1, 1972, and the documents updating such plan shall be presented to the Congress no later than January 31 of each succeeding calendar year."

GUIDELINES

SEC. 14. Part B of title VI of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

"GUIDELINES

"SEC. 639. All rules, regulations, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date."

COMPREHENSIVE CHILD CARE

SEC. 15. (a) Title V of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE V—CHILD CARE CENTERS AND SERVICES

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 501. (a) The Congress finds that—

"(1) child care programs must build upon the role of the family as the primary and most fundamental influence on the development of children and must be provided only to children whose parents or legal guardians request them;

"(2) many of the over three million children of preschool age living in poverty do not receive adequate health care, nutrition, and educational opportunities;

"(3) there are over five million preschool children and twenty million school-age children whose mothers are working full or part time but there are fewer than seven hundred thousand openings in licensed day care facilities to serve them;

"(4) comprehensive family-oriented child care programs, including a full range of health, education, and social services, can enhance the opportunity for children to attain their full potential;

"(5) children with special needs must receive full and special consideration in planning any child care programs with priority to preschool children with the greatest economic and social need;

"(6) while no mother should be forced to work outside the home as a condition for using child care programs, such programs are essential to many parents who undertake or continue full- or part-time employment, training, or education;

"(7) comprehensive child care programs not only provide a means of delivering a full range of essential services to children, but can also furnish meaningful employment opportunities for many individuals including older persons, parents, young persons, and volunteers from the community; and

"(8) it is essential that the planning and operation of such programs be undertaken as a partnership of parents, community, and State and local government with appropriate assistance from the Federal Government.

"(b) It is the purpose of this title (1) to provide child care centers and services of high quality to children whose parents request them, with priority for those children who need them most, (2) to recognize and build upon the experience and success gained through the Headstart program and other child care programs, (3) to provide quality child care services, with emphasis on programs for children of preschool age regardless of economic, social, and family background and full day care services for children of working mothers and single parent families, (4) to provide that decisions on the nature and funding of such programs be made at the local level with the full involvement of parents and other individuals and organizations interested in child care, and (5) to establish the legislative framework for comprehensive child care services.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 502. (a) For the purpose of carrying out this title, there is authorized to be appropriated $1,500,000,000 for the fiscal year ending June 30, 1974. Any amounts appropriated for such fiscal year which are not obligated at the end of such fiscal year may be obligated in the succeeding fiscal year.

"(b) For the purpose of providing training, technical assistance, planning, and such other activities as the Secretary deems necessary and appropriate to prepare for the implementation of this title, there is authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973.

"ALLOCATION OF FUNDS

"SEC. 503. (a) The amounts appropriated for carrying out this title for any fiscal year after June 30, 1973, shall be made available in the following manner:

"(1) $500,000,000 shall first be used for the purpose of providing assistance under parts A, B, and E of this title for child care programs focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects;

"(2) not to exceed 10 per centum of the remaining amounts so appropriated shall be used for the purpose of carrying out parts B, C, D, and E of this title, as the Secretary deems appropriate; and

"(3) the remainder of such amounts shall be used for the purpose of carrying out part A of this title.

"(b) (1) From the amounts available for carrying out comprehensive child care programs under part A of this title, the Secretary shall reserve the following:

"(A) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children of migrant agricultural workers bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children of migrant agricultural workers on an equitable basis, and to the extent practicable in proportion to the relative numbers of children served in each such program;

"(B) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children in Indian tribal organizations bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children in Indian tribal organizations on an equitable basis, and to the extent practicable in proportion to the relative numbers of children in each such program;

"(C) not less than 10 per centum of the total amount available for carrying out such part A, which shall be made available for the purposes of section 512(2) (H) of such part (relating to special activities for handicapped children);

"(D) not to exceed 5 per centum of the total amount available for carrying out such part A, which shall be made available under section 514(f) (3) of such part (relating to model programs).

"(2) The Secretary shall allocate the remainder of the amounts available for part A of this title (except for funds made available under paragraphs (1) and (3) of this subsection) among the States, and within the States among local areas, so as to provide, to the extent practicable, for the geographical distribution of such remainder in such a manner that—

"(A) 50 per centum thereof shall be apportioned among the States, and within each such State among local areas, in proportion to the relative numbers of children through age five in each such State and local area, respective[illegible]; and

"(B) 50 per centum thereof shall be apportioned among the States, and within each such State among local areas, in proportion to the relative numbers of economically disadvantaged children of working mothers and single parents in each such State and local area, respectively.

For the purposes of clauses (A) and (B) of this paragraph, there shall be excluded those children who are counted under clauses (A) and (B) of subsection (b) (1) of this section.

"(3) Not to exceed 5 per centum of the total funds allotted for use within a State pursuant to paragraph (2) shall be made available to enable States to carry out the provisions of section 513 (a) of this title.

"(c) Any portion of any apportionment under subsection (b) for a fiscal year which the Secretary determines will not be required, for the period for which such apportionment is available, for carrying out programs under this part shall be available for reapportionment from time to time, on such dates during such period as the Secretary shall fix, to other States or local areas on an equitable basis, taking into account the original apportionments to the States and local areas. Any amount reapportioned to a State or local area under this subsection during a year shall be deemed part of its apportionment under subsection (b) for such year.

"(d) In determining the numbers of children for purposes of allocating and apportioning funds under this section, the Secretary shall use the most recent satisfactory data available to him.

"(e) As soon as practicable after funds are appropriated to carry out this title for any fiscal year, the Secretary shall publish in the Federal Register the allocations and apportionments required by this section.

"PART A—COMPREHENSIVE CHILD CARE PROGRAMS

"PROGRAMS ASSISTED

"SEC. 511. The Secretary of Health, Education, and Welfare shall provide financial assistance to prime sponsors and to other public and private agencies and organizations pursuant to plans and applications approved in accordance with the provisions of this part for the purpose of carrying out child care programs for children whose parents or legal guardians request them, including—

"(1) preschool programs providing full-day services and activities for children when there is no parent at home to provide care;

"(2) preschool programs providing part-day services and activities designed to prepare children for school in the years before they enter the elementary school grades;

"(3) in-home services and consultation to assist families with children of preschool age in providing for the healthy growth and development of each child's full potential;

"(4) day care programs providing services and activities (including recreation and tutoring programs) for school-age children at times when school is not in session and there is no parent at home to provide care, including after-school and, where necessary, before-school hours and during summer and other vacation periods;

"(5) parent and child centers, special programs for children with identified needs (including but not limited to handicapped children), and followthrough and other supplementary services and activities, involving the participation of parents.

"USES OF FUNDS

"SEC. 512. Funds available for this part may be used (in accordance with approved applications) for programs including the following services and activities:

"(1) planning and developing child care programs, including the operation of pilot programs to test the effectiveness of new concepts, programs, and delivery systems;

"(2) establishing, maintaining, and operating child care programs, which may include—

"(A) comprehensive health, nutritional, education, social, and other services to assist children in attaining their full potential and to prepare children for school;

"(B) full-day and part-day child care services (including after-school and summer programs), with appropriate health, nutritional, education, social, and other services;

"(C) food and nutritional services;

"(D) rental, lease or lease-purchase, mortgage amortization payments, remodeling, renovation, alteration, construction, or acquisition of facilities, including mobile facilities, and the acquisition of necessary equipment and supplies;

"(E) programs designed (i) to meet the special needs of minority group, Indian, and migrant children with particular emphasis on the needs of children from bilingual families for the development of skills in English and the other language spoken in the home, and (ii) to meet the needs of all children to understand the history and cultural backgrounds of minority groups which belong to their communities;

"(F) medical, dental, psychological, educational, and other appropriate diagnosis, identification, and treatment of visual, hearing, speech, nutritional, and other physical, mental, and emotional problems;

"(G) prenatal and other medical services to expectant mothers who cannot afford such services, designed to help reduce malnutrition, infant and maternal mortality, and the incidence of mental retardation and other handicapping conditions, and postpartum and other medical services (including family planning information) to such recent mothers;

"(H) incorporation within child care programs of special activities designed to identify and ameliorate physical, mental, and emotional handicaps and special learning disabilities and, where necessary because of the severity of such handicaps, establishing, maintaining, and operating separate child care programs designed primarily to meet the needs of handicapped children including emotionally disturbed children;

"(I) preservice and inservice education and other training designed to prepare professional and paraprofessional personnel and parents and other family members to provide child care and related services;

"(J) dissemination of information in the functional language of those to be served to assure that parents are well informed of child care programs available to them and may become directly involved in such programs;

"(K) services, including in-home services, and training in the fundamentals of child care, for parents, older family members, and others functioning in the capacity of parents, youth, and prospective parents;

"(L) programs designed to extend comprehensive prekindergarten early childhood education techniques and gains (particularly parent participation) into kindergarten and early primary grades (one through three), in cooperation with local educational agencies;

"(M) such other services and activities as the Secretary deems appropriate in furtherance of the purposes of this part; and

"(3) staff and other administrative expenses of Child Care Councils established and operated in accordance with this part.

"STATE PLAN

"SEC. 513. (a) The Secretary shall approve a plan submitted by any State which sets forth satisfactory provisions for establishing and maintaining a State Child Care Council which meets the requirements of section 515 and which sets forth provisions for carrying out activities under the supervision of such Council for the purposes of—

"(1) identifying child care goals and needs within the State;

"(2) assisting prime sponsors other than the State in the establishment of Child Care Councils and strengthening the capability of such Councils to effectively plan, supervise, coordinate, monitor, and evaluate child care programs;

"(3) providing for the cooperation and participation of State agencies providing child care and related services, including health, family planning, mental health, education, nutrition, and family, social, and rehabilitative services, in the development and implementation of the comprehensive child care plan of the State and where requested by any local prime sponsor;

"(4) encouraging the full utilization of resources and facilities for child care programs within the State;

"(5) disseminating the results of research on child care programs;

"(6) conducting programs for the exchange of personnel involved in child care programs within the State;

"(7) assisting public and private agencies and organizations in the acquisition or improvement of facilities for child care programs;

"(8) monitoring and evaluating federally-assisted child care programs and projects within the State;

"(9) assessing State and local licensing codes as they relate to child care programs within the State; and

"(10) developing information useful in reviewing prime sponsorship plans under section 514 (g) and comprehensive child care plans under section 516 (b) (3).

"(b) A State applying for designation as prime sponsor for geographical areas within the State which are not otherwise served by a local prime sponsor shall, in addition to the provisions required to be included in its prime sponsorship plan in accordance with section 514, set forth in its State plan adequate provisions—

"(1) for designating local program areas each of which shall serve a geographical area covered by (A) a unit of general local government, or (B) units of general local government serving a total population of not more than fifty thousand persons;

"(2) for establishing and maintaining with respect to each local program area a local policy council composed so that (A) not less than half of the members of each such council shall be parent members who shall be chosen initially by the parent member of Headstart policy committees where they exist, and at the earliest practicable time by the parent members of project policy committees established pursuant to section 517 (a) (2) of this part, and (B) the remainder shall be public members appointed by the chief executive officers or the governing bodies, as appropriate, of the units of general local government within the local program area;

"(3) to assure that project applications shall be approved by the Child Care Council only if previously approved by the local policy council for the appropriate local program area;

"(4) to assure that contracts for the operation of programs through public or private agencies or organizations shall be entered into only if previously approved by the local policy council for the appropriate local program area; and

"(5) for the development and preparation with full participation and approval of the appropriate local policy council of that portion of the comprehensive child development plan to be submitted by the State which affects each local program area.

"PRIME SPONSORS OF CHILD CARE PROGRAMS

"SEC. 514. (a) In accordance with the provisions of this section, a State, unit or combination of units of general local government, Indian tribal organization, or public or private nonprofit agency or organization, meeting the requirements of this part may be designated by the Secretary as a prime sponsor for the purpose of entering into arrangements to carry out child care programs under this part, if the Secretary determines that any such applicant for prime sponsorship designation has the capability of effectively carrying out child care programs under this part and has submitted a satisfactory prime sponsorship plan which—

"(1) describes the prime sponsorship area to be served;

"(2) sets forth satisfactory provisions for establishing and maintaining a Child Care Council which meets the requirements of section 515;

"(3) provides that such Council will be responsible for developing and preparing a comprehensive child care plan for each fiscal year and any modifications thereof;

"(4) sets forth arrangements under which such Council will be responsible for planning, supervising, conducting, coordinating, monitoring, and evaluating child care programs in the prime sponsorship area;

"(5) in the case of an applicant which is a State or a unit or combination of units of general local government, provides for the operation of programs under this part through contracts with public or private agencies or organizations, including but not limited to community action agencies, single-purpose Headstart agencies, local public and private educational agencies and institutions, community development corporations, parent cooperatives, organizations of Indians, and employer and employee organizations, which will serve children in a community or neighborhood or other area possessing a commonality of interest; and

"(6) sets forth satisfactory provisions for coordination with educational agencies and providers of educational services;

"(7) provides assurances that such Council will, by contract or other arrangement with State, local, or other public or private nonprofit agencies or organizations, provide, where available—

"(A) child-related family, social, and rehabilitative services;

"(B) health (including family planning) and mental health services;

"(C) nutrition services; and

"(D) training of professional and paraprofessional personnel.

"(b) The Secretary shall approve a prime sponsorship plan submitted by a State if he determines that the plan so submitted meets the requirements of subsection (a) of this section and sets forth adequate arrangements for serving all geographical areas under its jurisdiction except for areas with respect to which local prime sponsors are designated under this section.

"(c) (1) The Secretary shall approve a prime sponsorship plan submitted by a unit of general local government which is (A) a city having a population of twenty-five thousand or more persons, or (B) a county or other unit of general local government having a population of twenty-five thousand or more persons (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of this paragraph), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area covered by such unit of general local government.

"(2) In the event that the area under the jurisdiction of a unit of general local government described in clause (A) or (B) of paragraph (1) of this subsection includes any common geographical area with that covered by another such unit of general local government, the Secretary shall designate to serve such area the unit of general local government which he determines has the capability of more effectively carrying out the purposes of this part with respect to such area and which has submitted a plan which meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in such area.

"(d) The Secretary shall approve a prime sponsorship plan submitted by a combination of units of general local government having a total population of twenty-five thousand or more persons (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of subsection (c) (1)), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area covered by the combination of such units of general local government.

"(e) The Secretary shall approve a prime sponsorship plan submitted by an Indian tribal organization if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area to be served.

"(f) The Secretary may approve a prime sponsorship plan submitted by a unit or combination of units of general local government regardless of population size or by a public or private nonprofit agency, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, employer organization, labor union, or employee or labor-management organization, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes provisions setting forth—

"(1) arrangements for serving children in a community or neighborhood or other urban or rural area possessing a commonality of interest in any area (A) with respect to which there is no prime sponsorship designation in effect, or (B) with respect to any portion of an area where a designated prime sponsor is found not to be satisfactorily implementing child care programs which adequately meet the purposes of this part, or (C) for making available special services, in accordance with criteria established by the Secretary, designed to meet the needs of economically disadvantaged or preschool children or children of working mothers or single parents; or

"(2) arrangements for providing comprehensive child care programs on a year-round basis to children of migrant agricultural workers and their families; or

"(3) arrangements for carrying out model programs especially designed to be responsive to the needs of economically disadvantaged, minority group, bilingual, or preschool children.

"(g) The Governor shall be given not less than thirty nor more than sixty days to review applications for prime sponsorship designation submitted by any applicant other than the State, to offer recommendations to the applicant, and to submit comments to the Secretary.

"(h) A prime sponsorship plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time in which to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(i) (1) If any party is dissatisfied with the Secretary's final action under subsection (h) with respect to the disapproval of its plan submitted under this section or the withdrawal of its prime sponsorship designation, such party may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such party is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

"(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(j) When any unit or combination of units of general government or other prime sponsor is maintaining a pattern and practice of discrimination against minority group persons, the Secretary shall approve the application for prime sponsorship of an alternative unit of government or public or private nonprofit agency or organization in the area which will equitably serve minority and economically disadvantaged persons.

"(k) In the event that a State, a unit or combination of units of general local government, or an Indian tribal organization has not submitted a comprehensive child care plan under section 516 or the Secretary has not approved a plan so submitted, or where the Secretary has not designated or has withdrawn designation of prime sponsorship under this section, or where the needs of migrants, preschool-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served, the Secretary may directly fund projects, including those in rural areas without regard to population, that he deems necessary in order to serve the children of the particular area.

"CHILD CARE COUNCILS

"SEC. 515. (a) Every State and other prime sponsor designated under section 514 shall establish and maintain a Child Care Council composed of not less than 10 members as follows—

"(1) not less than half of the members of such Council shall be parents of children served in child care programs under this part; and

"(2) the remaining members shall be appointed by the prime sponsor to represent the public, but (A) not less than half of such members shall be persons who are broadly representative of the general public, including government agencies, public and private agencies and organizations in such fields as economic opportunity, health, education, welfare, employment and training, business or financial organizations or institutions, labor unions, and employers, and (B) the remaining members, the number of which shall be either equal to or one less than the number of members appointed under clause (A), shall be persons who are particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child care services, except that the Secretary may waive or reduce the requirement of this clause (B) to the extent that he determines, in accordance with regulations which he shall prescribe, that such persons are not available to the area to be served.

At least one-third of the total membership of the Child Care Council shall be parents who are economically disadvantaged. Each Council shall select its own chairman.

"(b) In accordance with procedures which the Secretary shall establish pursuant to regulations, every State and other prime sponsor designated under section 514 shall provide, with respect to its Child Care Council—

"(1) in the case of the Child Care Council of a State, (A) that the parent members described in paragraph (1) of subsection (a) of this section shall be chosen by the parent members of local policy councils established pursuant to section 513 of this part, and (B) that the public members described in paragraph (2) of subsection (a) of this section shall be appointed by the Governor of the State;

"(2) in the case of the Child Care Council of a prime sponsor other than a State, (A) that the parent members described in paragraph (1) of subsection (a) of this section shall be chosen initially by the parent members of Headstart policy committees where they exist, and at the earliest practicable time by the parent members of project policy committees established pursuant to section 517(a)(2) of this part, and (B) that the public members described in paragraph (2) of subsection (a) of this section shall be appointed by the chief executive officer or the governing body, whichever is appropriate, of the prime sponsor;

"(3) for such terms of office and other policies and procedures of an organizational nature, including nomination and election procedures, as are appropriate in accordance with the purposes of this part;

"(4) that such Council shall have responsibility for approving basic goals, policies, actions, and procedures for the prime sponsor, and for planning, general supervision and oversight, overall coordination, personnel, budgeting, funding of projects, and monitoring and evaluation of projects each year according to criteria established by the Secretary; and

"(5) that such Council shall, upon its own initiative or upon request of a project applicant or any other party in interest, conduct public hearings before acting upon applications for financial assistance submitted by project applicants under this part.

"COMPREHENSIVE CHILD CARE PLANS

"SEC. 516. (a) Financial assistance under this part may be provided by the Secretary for any fiscal year to a State or other prime sponsor designated under section 514 only pursuant to a comprehensive child care plan which is submitted by such prime sponsor and approved by the Secretary in accordance with the provisions of this part. Any such plan shall set forth a comprehensive program for providing child care services in the prime sponsorship area which—

"(1) provides that programs or services under this title shall be provided only for children whose parents or legal guardians request them;

"(2) identifies child care needs and goals within the area and describes the purposes for which the financial assistance will be used;

"(3) meets the needs of children in the prime sponsorship area, to the extent that available funds can be reasonably expected to have an effective impact, with priority to children who have not attained six years of age;

"(4) (A) provides that funds received under section 503 (a) (1) will be used for child care programs and services focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects by reserving for such projects from such funds in any fiscal year an amount at least equal to the aggregate amount received by public or private agencies and organizations within the prime sponsorship area for programs during the fiscal year ending June 30, 1973, under section 222 (a) (1) of the Economic Opportunity Act of 1964, and (B) provides that programs receiving funds under section 503 (d) will give priority to providing services for economically disadvantaged children by reserving not less than 65 per centum of the cost of programs receiving such funds for the purpose of serving children of families having an annual income below the lower living standard budget as determined under paragraph (5) of section 571;

"(5) gives priority thereafter to providing child care programs and services to children of working mothers and single parents not covered under paragraph (4);

"(6) provides procedures for the approval of project applications submitted in accordance with section 517;

"(7) provides, in the case of a prime sponsor located within or adjacent to a metropolitan area, for coordination with other prime sponsors located within such metropolitan area, and arrangements for cooperative funding where appropriate, and particularly for such coordination where appropriate to meet the needs for child care services of children of parents working or participating in training or otherwise occupied during the day within a prime sponsorship area other than that in which they reside;

"(8) provides that, to the extent feasible, each program within the prime sponsorship area will include children from a range of socioeconomic backgrounds;

"(9) provides comprehensive services (A) to meet the special needs of minority group children and children of migrant agricultural workers with particular emphasis on the needs of children from bilingual families for development of skills in English and in the other language spoken in the home, and (B) to meet the needs of all children to understand the history and cultural background of minority groups which belong to the communities;

"(10) provides equitably for the child care needs of children from each minority group and significant segment of the economically disadvantaged residing within the area served;

"(11) provides, insofar as possible, for coordination of child care programs with other social programs (including but not limited to those relating to employment and manpower) so as to keep family units intact or in close proximity during the day;

"(12) provides for direct parent participation in the conduct, overall direction, and evaluation of programs;

"(13) includes to the extent feasible a career development plan for paraprofessional and professional training, education, and advancement on a career ladder;

"(14) provides that, insofar as possible, persons residing in communities being served by such projects will receive jobs, including in-home and part-time jobs and opportunities for training in programs under part B of this title, with special consideration for career opportunities for low-income persons;

"(15) provides for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons in the community are fully informed of the activities of the Child Care Council and of delegate agencies;

"(16) assures that procedures and mechanisms for coordination have been developed in cooperation with agencies and organizations carrying out preschool programs and administrators of local educational agencies and nonpublic schools, at the local level, to provide continuity between programs for preschool and elementary school children and to coordinate programs conducted under this part and programs conducted pursuant to section 222(a)(2) of the Economic Opportunity Act of 1964 and the Elementary and Secondary Education Act of 1965;

"(17) establishes arrangements in the area served for the coordination of programs conducted under the auspices of or with the support of business or financial institutions or organizations, industry, labor, employee and labor-management organizations, and other community groups;

"(18) sets forth provisions describing any arrangements for the delegation, under the supervision of the Child Care Council, to public or private agencies, institutions, or organizations, of responsibilities for the delivery of programs, services, and activities for which financial assistance is provided under this part or for planning or evaluation services to be made available with respect to programs under this part;

"(19) contains plans for regularly conducting surveys and analyses of needs for child care programs in the prime sponsorship area and for submitting to the Secretary a comprehensive annual report and evaluation in such form and containing such information as the Secretary shall require by regulation;

"(20) provides that services for handicapped children, at both the State and local levels, will be used wherever available in programs approved under the plan;

"(21) provides assurances satisfactory to the Secretary that the non-Federal share requirements will be met;

"(22) provides for such fiscal control and funding accounting procedures as the Secretary may prescribe to assure proper disbursement of and accounting for Federal funds paid to the prime sponsor;

"(23) provides that special consideration will be given to project applications submitted by public and private nonprofit agencies and organizations with ongoing programs; and

"(24) provides assurance that in developing plans for any facilities due consideration will be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(b) No comprehensive child care plan or modification thereof submitted by a prime sponsor under this section shall be approved by the Secretary unless he determines, in accordance with regulations which the Secretary shall prescribe, that—

"(1) each community action agency or single-purpose Headstart agency in the area to be served previously responsible for the administration of programs under this part or under section 222(a)(1) of the Economic Opportunity Act of 1964 has had an opportunity to submit comments to the prime sponsor and to the Secretary;

"(2) the local educational agency for the area to be served and other appropriate educational and training agencies and institutions have had an opportunity to submit comments to the prime sponsor and to the Secretary; and

"(3) in the case of a plan submitted by a prime sponsor other than the State, the State Child Care Council has had an opportunity to submit comments to the prime sponsor and to the Secretary.

"(c) A comprehensive child care plan submitted under this section may be disapproved or a prior approval withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(d) In order to contribute to the effective administration of this title, the Secretary shall establish appropriate procedures to permit prime sponsors to submit jointly a single comprehensive child care plan for the areas served by such prime sponsors.

"PROJECT APPLICATIONS

"SEC. 517. (a) Financial assistance under this part may be provided to a project applicant for any fiscal year only pursuant to a project application which is submitted by a public or private agency and which provides—

"(1) that funds will be provided for carrying out any child care program under this part only to a qualified public or private agency or organization, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, private organization interested in child development, employer or business organization, labor union, or employee or labor-management organization;

"(2) for establishing and maintaining project policy committees composed of not less than 10 members as follows—

"(A) not less than half of the members of each such committee shall be parents of children served by such project, and

"(B) the remaining members of each such committee shall consist of (i) persons who are representative of the community and who are approved by the parent members, and (ii) one person who is particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child care services, except that the Secretary may waive the requirement of this clause (ii) where he determines, in accordance with regulations which he shall prescribe, that such person is not available to the area to be served;

"(3) for direct participation of such project policy committees in the development and preparation of project applications under this part;

"(4) that adequate provision will be made for training and other administrative expenses of such project policy committees (including necessary expenses to enable low-income members to participate in council or committee meetings);

"(5) that project policy committees shall have responsibility for approving basic goals, policies, actions, and procedures for the project applicant, and for planning, overall conduct, personnel, budgeting, location of centers and facilities, and direction and evaluation of projects;

"(6) that programs assisted under this part will provide for such comprehensive health, nutritional, education, social, and other services, as are necessary for the full development of each participating child;

"(7) that adequate provision will be made for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons are fully informed of project activities;

"(8) that with respect to child care services provided by programs assisted under this part—

"(A) no charge will be made with respect to any child who is a member of any family with an annual income equal to or less than $4,320 with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party (including a public agency); and

"(B) such charges as the Secretary may provide will be made with respect to any child of any other family, in accordance with an appropriate fee schedule established by him, based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget (as determined in accordance with paragraph (5) of section 571) shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds the highest income level at which no charges would be made with respect to children of such family under subparagraph (A) but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget, and, if more than two children from the same family are participating, additional charges may be made not to exceed the sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each such additional child;

"(9) that children will in no case be excluded from the programs operated pursuant to this part because of their participation in nonpublic preschool or school programs or because of the intention of their parents to enroll them in nonpublic schools when they attain school age;

"(10) that programs will, to the extent appropriate, employ paraprofessional aides and volunteers, especially parents, older children, students, older persons, and persons preparing for careers in child care programs; grams;

"(11) that no person will be denied employment in any program solely on the ground that he fails to meet State or local teacher certification standards;

"(12) that programs assisted under this part will provide for the utilization of personnel, including paraprofessional and volunteer personnel, adequate to meet the needs of each participating child;

"(13) that there are assurances satisfactory to the

Secretary that the non-Federal share requirements will be met; and

"(14) that provision will be made for such fiscal control and fund accounting procedures as the Secretary shall prescribe to assure proper disbursement of and accounting for Federal funds.

"(b) A project application may be approved by a prime sponsor upon its determination that such application meets the requirements of this section and that the programs provided for therein will otherwise further the objectives and satisfy the appropriate provisions of the prime sponsor's comprehensive child care plan as approved pursuant to section 516.

"(c) A project application from a public or private nonprofit agency which is also a prime sponsor under section 513(f) shall be submitted directly to the Secretary, together with the comprehensive child care plan.

"(d) A prime sponsor may disapprove a project application only if it provides to the project applicant a written statement of the reasons therefor. Such project applicant may submit an appeal to the Secretary requesting the direct approval of such application or modification thereof. Any such appeal shall include such comments, including the project applicant's response to the prime sponsor's statement of reasons for disapproval, as the project applicant may deem appropriate or as the Secretary may require.

"(c) A project application submitted directly to the Secretary may be approved by the Secretary upon his determination that it meets the requirements of subsection (a) of this section.

"ADDITIONAL CONDITIONS FOR PROGRAMS INCLUDING CONSTRUCTION

"SEC. 518. (a) Applications for financial assistance for projects including construction may be approved only if the Secretary determines that construction of such facilities is essential to the provision of adequate child care services, and that rental, lease or lease-purchase, remodeling, or renovation of adequate facilities is not practicable.

"(b) If any facility assisted under this part shall cease to be used for the purposes for which it was constructed, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to to do so. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

"(c) All laborers and mechanics employed by contractors or subcontractors on all construction, remodeling, renovation, or alteration projects assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(d) In the case of loans for construction, the Secretary shall prescribe the interest rate and the period within which such loan shall be repaid, but such interest rates shall not be less than 3 per centum per annum and the period within which such loan is to be repaid shall not be more than twenty-five years.

"(e) The Federal assistance for construction may be in the form of grants or loans, provided that total Federal funds to be paid to other than public or private nonprofit agencies and organizations will not exceed 50 per centum of the construction cost, and will be in the form of loans.

Repayment of loans shall, to the extent required by the Secretary, be returned to the prime sponsor from whose financial assistance the loan was made, or used for additional loans or grants under this title. Not more than 15 per centum of the total financial assistance provided to a prime sponsor under this part shall be used for construction of facilities, with no more than 7½ per centum of such assistance usable for grants for construction.

"(f) In the case of a project for the construction of facilities and in the development of plans for such facilities due consideration shall be given to excellence of architecture and design and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"USE OF PUBLIC FACILITIES FOR CHILD DEVELOPMENT PROGRAMS

"SEC. 519. (a) The Secretary, after consultation with other appropriate officials of the Federal Government, shall within eighteen months after enactment of this title report to the Congress with respect to the extent to which facilities owned or leased by Federal departments, agencies, and independent authorities could be made available to public and private nonprofit agencies and organizations, through appropriate arrangements, for use as facilities for child care programs under this title during times and periods when not utilized fully for their usual purposes, together with his recommendations (including recommendations for changes in legislation) or proposed actions for such use.

"(b) The Secretary may require, as a condition to the receipt of assistance under this part, that any prime sponsor under this part agree to conduct a review and provide the Secretary with a report as to the extent to which facilities owned or leased by such prime sponsor, or by other agencies in the prime sponsorship area, could be made available, through appropriate arrangements, for use as facilities for child care programs under this title during times and periods when not utilized fully for their usual purposes, together with the prime sponsor's proposed actions for such use.

"PAYMENTS

"SEC. 520. (a) In accordance with this section, the Secretary shall pay from the applicable allocation or apportionment under section 503 the Federal share of the costs of programs, services, and activities, in accordance with plans or applications which have been approved as provided in this part. In making such payment to any prime sponsor, the Secretary shall include in such costs an amount for staff and other administrative expenses for the Child Care Council not to exceed an amount which is reasonable when compared with such costs for other prime sponsors.

"(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary shall pay an amount not in excess of 90 per centum of the cost of carrying out programs, services, and activities under this part. The Secretary may, in accordance with such regulations as he shall prescribe, approve assistance in excess of such percentage if he determines that such action is required to provide adequately for the child care needs of economically disadvantaged children.

"(2) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child care programs for children of migrant agricultural workers and their families under this part.

"(3) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child care programs for children in Indian tribal organizations under this part.

"(c) The non-Federal share of the costs of programs assisted under this part may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, or union or employer contributions. Fees collected for services provided pursuant to section 517 (a) (8) shall not be used to make up the non-Federal share, but shall be used by the project applicant for the same purposes as payments under this section, except that, in the case of projects assisted under a comprehensive child care plan, such fees shall be turned over to the appropriate prime sponsor for distribution in the same manner as the prime sponsor's allocation under section 516(a) (4).

"(d) If, with respect to any fiscal year, a prime sponsor or project applicant provides non-Federal contributions for any program, service, or activity exceeding its requirements, such excess may be applied toward meeting the requirements for such contributions for the subsequent fiscal year under this part.

"(e) No State or unit of general local government shall reduce its expenditures for child care programs by reason of assistance under this part.

"PART B—TRAINING, TECHNICAL ASSISTANCE, PLANNING, AND EVALUATION

"PRESERVICE AND INSERVICE TRAINING

"SEC. 531. The Secretary is authorized to make payments to provide financial assistance to enable individuals employed or preparing for employment in child care programs assisted under this title, including volunteers, to participate in programs of preservice or inservice training for professional and nonprofessional personnel, to be conducted by any agency carrying out a child care program, or any institution of higher education, including a community college, or by any combination thereof.

"TECHNICAL ASSISTANCE AND PLANNING

"SEC. 532. The Secretary shall, directly or through grant or contract, make technical assistance available to prime sponsors and to project applicants participating or seeking to participate in programs assisted under this title on a continuing basis to assist them in planning, developing, and carrying out child care programs.

"EVALUATION

"SEC. 533. (a) The Secretary shall, through the Office of Child Development unless the Secretary determines otherwise, make an evaluation of Federal involvement in child care activities and services, which shall include—

"(1) enumeration and description of all Federal activities which affect child care;

"(2) analysis of expenditures of Federal funds for such activities and services;

"(3) determination of the effectiveness of such activities and services;

"(4) the extent to which preschool, minority group, and economically disadvantaged children and their parents have participated in programs under this title; and

"(5) such recommendations to the Congress as the Secretary may deem appropriate.

"(b) The results of the evaluation required by subsection (a) of this section shall be reported to the Congress not later than eighteen months after the date of enactment of this title.

"(c) The Secretary shall establish such procedures as may be necessary to conduct an annual evaluation of Federal involvement in child care programs, and shall report the results of each such evaluation to Congress.

"(d) Prime sponsors and project applicants assisted under this title and departments and agencies of the Federal Government shall, upon request by the Secretary, make available, consistent with other provisions of law, such information as the Secretary determines is necessary for purposes of making the evaluation required under subsection (c) of this section.

"(e) The Secretary may enter into contracts with public or private agencies, organizations, or individuals to carry out the provisions of this section.

"(f) The Secretary shall reserve for the purposes of this section not less than 1 per centum, and may reserve for such purposes not more than 2 per centum, of the amounts available under paragraphs (2) and (3) of section 503(a) of this title for any fiscal year.

"FEDERAL STANDARDS FOR CHILD CARE SERVICES

"SEC. 534. (a) Within six months after the enactment of the Economic Opportunity Amendments of 1971, the

Secretary shall, after consultation with other Federal agencies and with the Committee established pursuant to subsection (c) of this section, promulgate a common set of program standards which shall be applicable to all programs providing child care services with Federal assistance under this title, to be known as the Federal Standards for Child Care Services. If the Secretary disapproves the Committee's recommendations, he shall state the reasons therefor.

"(b) The Federal Interagency Day Care Requirements, as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968, shall be applicable to all programs providing child care services with Federal assistance under this title.

"(c) The Secretary shall, within sixty days after enactment of this title, appoint a Special Committee on Federal Standards for Child Care Services, which shall include parents of children enrolled in child care programs, representatives of public and private agencies and organizations administering child care programs, and specialists and others interested in the care and development of children. Not less than one-half of the membership of the Committee shall consist of parents of children participating in programs conducted under section 222 (a) (1) of this Act and title IV of the Social Security Act and part A of this title. Such Committee shall participate in the development of Federal Standards for Child Care Services and modifications thereof as provided in subsection (a).

"DEVELOPMENT OF UNIFORM MINIMUM CODE FOR FACILITIES

"SEC. 535. (a) The Secretary shall, within sixty days after enactment of the Economic Opportunity Amendments of 1971, appoint a special committee to develop a uniform minimum code for facilities, to be used in licensing child development facilities. Such standards shall deal principally with those matters essential to the health, safety, and physical comfort of the children and the relationship of such matters to the Federal Standards for Child Care Services under section 534.

"(b) The special committee appointed under this section shall include parents of children participating in child care programs and representatives of State and local licensing agencies, public health officials, fire prevention officials, the construction industry and unions, public and private agencies or organizations administering child care programs, and national agencies or organizations interested in the care and development of children. Not less than one-half of the membership of the committee shall consist of parents of children enrolled in programs conducted under section 222(a)(1) of this Act and title IV of the Social Security Act and part A of this title.

"(c) Within one year after its appointment, the special committee shall complete a proposed uniform minimum code for facilities and shall hold public hearings on the proposed code prior to submitting its final recommendation to the Secretary for his approval.

"(d) After considering the recommendations submitted by the special committee in accordance with subsection (c), the Secretary shall promulgate standards which shall be applicable to all facilities receiving Federal financial assistance under this title or in which programs receiving Federal financial assistance under this title are operated. If the Secretary disapproves the committee's recommendations, he shall state the reasons therefor. The Secretary shall also distribute such standards and urge their adoption by States and local governments. The Secretary may from time to time modify the uniform code for facilities in accordance with procedures set forth in this section.

"PART C—FACILITIES FOR CHILD CARE PROGRAMS

"MORTGAGE INSURANCE FOR CHILD CARE FACILITIES

"SEC. 541. (a) It is the purpose of this part to assist and encourage the provision of urgently needed facilities for child care programs.

"(b) For the purpose of this part—

"(1) The term 'child care facility' means a facility of a public or private profit or nonprofit agency or organization, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the provision of child care programs.

"(2) The terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary of Health, Education, and Welfare is authorized to insure any mortgage which covers a new child care facility, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary of Health, Education, and Welfare, who demonstrate ability successfully to operate one or more child care programs. The Secretary of Health, Education, and Welfare may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary of Health, Education, and Welfare may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Child Care Facility Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary of Health, Education, and Welfare under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the child care facility, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary of Health, Education, and Welfare shall prescribe, and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary of Health, Education, and Welfare finds necessary to meet the mortgage market.

"(4) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has determined that the child care facility to be covered by the mortgage will be in compliance with the Uniform Minimum Code for Facilities approved by the Secretary pursuant to section 535.

"(5) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has also received from the prime sponsor designated under part A of this title comments concerning the consistency of the facility with the prime sponsor's comprehensive child care plan.

"(6) In the plans for such child care facility, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(e) The Secretary of Health, Education, and Welfare shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Child Care Facility Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary of Health, Education, and Welfare is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The Secretary of Health, Education, and Welfare may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(g) (1) The Secretary of Health, Education, and Welfare shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

"(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Child Care Facility Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare.

"(h) (1) There is hereby created a Child Care Facility Insurance Fund which shall be used by the Secretary of Health, Education, and Welfare as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Child Care Facility Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Child Care Facility Insurance Fund.

"(3) Moneys in the Child Care Facility Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary of Health, Education, and Welfare may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Child Care Facility Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary of Health, Education, and Welfare in connection therewith, and all earnings on the assets of the Fund, shall be credited to the Child Care Facility Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such Fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such Fund.

"(5) In order to provide initial capital for the Child Care Facility Insurance Fund and to assure the soundness of such Fund thereafter, there are authorized to be appropriated such sums as may be necessary, in addition to any amounts which may be made available by the Secretary pursuant to section 503 (a) (2) of this title.

"PART D—FEDERAL GOVERNMENT CHILD CARE PROGRAMS

"PROGRAM AUTHORIZED

"SEC. 546. (a) The Secretary is authorized to provide financial assistance for the purpose of establishing and operating child care programs (including the lease, rental, or construction of necessary facilities and the acquisition of necessary equipment and supplies) for the children of employees of the Federal Government.

"(b) Employees of any Federal agency or group of such agencies employing eighty or more working parents of young children who desire to participate in a program under this part shall—

"(1) designate or create for the purpose an agency child care committee, the membership of which shall be broadly representative of the working parents employed by the agency or agencies; and

"(2) submit to the Secretary a plan approved by the official in charge of such agency or agencies, which—

"(A) provides that the child care program shall be administered under the direction of the agency child care committee;

"(B) provides that the program will meet the Federal Standards for Child Care Services promulgated under section 534 of this title;

"(C) provides a means of determining priority of eligibility among parents wishing to use the services of the program;

"(D) provides for a scale of fees based upon the parents' financial status; and

"(E) provides for competent management, staffing, and facilities for such program.

"(c) The Secretary shall not make payments under this section unless he has received approval of the plan from the official in charge of the agency whose employees will be served by the child care program.

"PAYMENTS

"SEC. 547. (a) Not more than 80 per centum of the total cost of child care programs under this part shall be paid from Federal funds available under this title.

“(b) The share of the total cost not available under paragraph (a) may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, fees collected from parents, or union or employer contributions.

“(c) If, in any fiscal year, a program under this part provides non-Federal contributions exceeding its requirements under this section, such excess may be used to meet the requirements for such contributions for the succeeding fiscal year.

“(d) In providing financial assistance under this part, the Secretary shall, insofar as feasible, distribute funds among the States according to the same ratio as the number of Federal employees in that State bears to the total number of Federal employees in the United States.

“PART E—RESEARCH AND DEMONSTRATION

“DECLARATION OF PURPOSES

“SEC. 551. The purposes of this part are to focus national research efforts to attain a fuller understanding of the processes of child development and the effects of organized programs upon these processes; to develop effective programs for research into child development; and to assure that the result of research and development efforts are reflected in the conduct of programs affecting children through the improvement and expansion of child care and related programs.

"RESEARCH AND DEMONSTRATION PROJECTS

"SEC. 552. (a) In order to further the purposes of this part, the Secretary shall carry out a program of research and demonstration projects, which shall include but not be limited to—

"(1) research to determine the nature of child development processes and the impact of various influences upon them, to develop techniques to measure and evaluate child development, to develop standards to evaluate professional and paraprofessional child care personnel, and to determine how child care and related programs conducted in either home or institutional settings affect child development processes;

"(2) research to test alternative methods of providing child care and related services, and to develop and test innovative approaches to achieve maximum development of children;

"(3) evaluation of research findings and the development of these findings and the effective application thereof;

"(4) dissemination and application of research and development efforts and demonstration projects to child care and related programs and early childhood education, using regional demonstration centers and advisory services where feasible;

"(5) production of informational systems and other resources necessary to support the activities authorized by this part; and

"(6) integration of national child development research efforts into a focused national research program, including the coordination of research and development conducted by other agencies, organizations, and individuals.

"(b) In order to carry out the program provided for in subsection (a), the Secretary is authorized to make grants to or enter into contracts or other arrangements with public or private nonprofit agencies (including other Government agencies), organizations, and institutions, and to enter into contracts with private agencies, organizations, institutions, and individuals.

"COORDINATION OF RESEARCH

"SEC. 553. (a) Funds available to any Federal department or agency for the purposes stated in section 551 or the activities stated in section 552 (a) shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part, to the Secretary for such use as is consistent with the purposes for which such funds were provided, and the funds so transferred shall be expendable by the Secretary for the purposes for which the transfer was made.

"(b) The Secretary shall coordinate, through the Office of Child Development established under section 572 of this title, all child development research, training, and development efforts conducted within the Department of Health, Education, and Welfare and, to the extent feasible, by other agencies, organizations, and individuals.

"(c) A Child Care and Development Research Council, consisting of a representative of the Office of Child Development established under section 572 of this title (who shall serve as chairman), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Office of Economic Opportunity, the Department of Labor, and other appropriate agencies, shall meet at least annually and at such more frequent times as they may deem necessary, in order to assure coordination of child care and development and related activities under their respective jurisdictions and to carry out the provisions of this part so as to assure—

"(1) maximum utilization of available resources through the prevention of duplication of activities;

"(2) a division of labor, insofar as is compatible with the purposes of each of the agencies or authorities specified in this paragraph, to assure maximum progress toward the achievement of the purposes of this part; and

"(3) recommendation of priorities for federally funded research and development activities related to the purposes of this part and those stated in section 501.

"ANNUAL REPORT

"SEC. 554. The Secretary shall make an annual report to Congress summarizing his activities and accomplishments during the preceding year under this part; the grants, contracts, or other arrangements entered into during the preceding year under this part, and making such recommendations as he may deem appropriate.

"PART F—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 571. As used in this title, the term—

"(1) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(2) 'State' means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(3) 'child care programs' means programs provided on a full-day or part-day basis which provide the educational, nutritional, social, medical, psychological, and physical services needed for children to attain their full potential;

"(4) 'children' means individuals who have not attained the age of fifteen;

"(5) 'economically disadvantaged children' means any children of a family having an annual income below the lower living standard budget (adjusted for regional and metropolitan, urban, and rural differences, and family size), as determined annually by the Bureau of Labor Statistics of the Department of Labor;

"(6) 'handicapped children' includes mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children or children with specific learning disabilities who by reason thereof require special education and related services;

"(7) 'program' includes, but is not limited to, any program, service, or activity, which is conducted full or part time, in child care facilities, in schools, in neighborhood centers, or in homes, and includes child care services for children whose parents are working or receiving education or training;

"(8) 'parent' means any person who has day-to-day parental responsibility for any child;

"(9) 'single parent' means any person who has sole day-to-day responsibility for any child;

"(10) 'working mother' means any mother who requires child care services in order to undertake or continue full- or part-time work, training, or education outside her home;

"(11) 'minority group' includes, but is not limited to, persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, or Oriental, and, as determined by the Secretary, children who are from environments in which a dominant language is other than English and who, as a result of language barriers, do not have an equal educational opportunity, and, for the purpose of this paragraph, Spanish-surnamed Americans include persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry;

"(12) 'bilingual' includes, but is not limited to, persons who are Spanish surnamed, American Indian, Oriental, Portuguese, or others who have learned during childhood to speak the language of the minority group of which they are members and who, as a result of language barriers, do not have an equal educational opportunity;

"(13) 'local educational agency' means any such agency as defined in section 801 (f) of the Elementary and Secondary Education Act of 1965;

"(14) 'institution of higher education' means any such institution as defined in section 1201 (a) of the Higher Education Act of 1965.

"OFFICE OF CHILD DEVELOPMENT

"SEC. 572. The Secretary shall take all necessary action to coordinate child care programs under his jurisdiction. To this end, he shall establish within the Department of Health, Education, and Welfare an Office of Child Development, administered by a Director, which shall be the principal agency of the Department for the administration of this title and for the coordination of programs and other activities relating to child care.

"NUTRITION SERVICES

"SEC. 573. In accordance with the purposes of this title, the Secretary of Health, Education, and Welfare shall establish procedures to assure that adequate nutrition services will be provided in child care programs under this title. Such services shall make use of the Special Food Service Program for children as defined under section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of

1966, to the fullest extent appropriate and consistent with the provisions of such Acts.

"SPECIAL PROVISIONS

"SEC. 574. (a) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this title, as he may deem necessary to carry out the provisions of this title, including necessary adjustments in payments on account of overpayments or underpayments. Subject to the provisions of section 575, the Secretary may also withhold funds otherwise payable under this title in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this title or any term or condition of assistance under this title.

"(b) The Secretary shall prescribe regulations to assure that programs under this title have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

"(c) The Secretary shall not provide financial assistance for any program, service, or activity under this title unless he determines that persons employed thereunder, other than persons who serve without compensation, shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 (29 U.S.C. 206), if section 6(a) (1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

"(d) The Secretary shall not provide financial assistance for any program under this title which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be engaged, in any way or to any extent, in the conduct of political activities in contravention of section 603 of this Act.

"(e) The Secretary shall not provide financial assistance for any program under this title unless he determines that no funds will be used for and no person will be employed under the program on the construction of so much of any facility as is for use for sectarian instruction or as a place for religious worship or on the operation or maintenance of any facility other than in connection with the use of such facility for child care programs.

"(f) A child participating in a program assisted under this title shall not be required to undergo medical or psychological examination (except to the extent related to learning ability), immunization (except to the extent necessary to protect the public from epidemics of contagious diseases), or treatment, if his parent or guardian objects thereto in writing on religious grounds.

"WITHHOLDING OF GRANTS

"SEC. 575. Whenever the Secretary, after reasonable notice and opportunity for a hearing for any prime sponsor or project applicant, finds—

"(1) that there has been a failure to comply substantially with any requirement set forth in the plan of any such prime sponsor approved under section 516; or

"(2) that there has been a failure to comply substantially with any requirement set forth in the application of any such project applicant approved pursuant to section 517; or

"(3) that in the operation of any program or project carried out by any such prime sponsor or project applicant under this title there is a failure to comply substantially with any applicable provision of this title or regulation promulgated thereunder;

the Secretary shall notify such prime sponsor or project applicant of his findings and that no further payments may be made to such sponsor or applicant under this title (or in his discretion that any such prime sponsor shall not make further payments under this title to specified project applicants affected by the failure) until he is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Secretary may authorize the continuation of payments with respect to any project assisted under this title which is being carried out pursuant to such plan or application and which is not involved in the noncompliance.

"ADVANCE FUNDING

"SEC. 576. (a) For the purpose of affording adequate notice of funding available under this title, such funding for grants, contracts, or other payments under this title is authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"(b) In order to effect a transition to the advance funding method of timing appropriation action, subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"PUBLIC INFORMATION

"SEC. 577. Applications for designation as prime sponsors, comprehensive child care plans, project applications, and all written material pertaining thereto shall be made readily available without charge to the public by the prime sponsor, the applicant, and the Secretary.

"FEDERAL CONTROL NOT AUTHORIZED

"SEC. 578. No department, agency, officer, or employee of the United States shall, under authority of this title, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

"NONDISCRIMINATION PROVISIONS

"SEC. 579. (a) The Secretary shall not provide financial assistance for any program under this title unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this title. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if on the ground of sex that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program or activity receiving assistance under this title.

"LIMITATION ON RESEARCH AND EXPERIMENTATION

"SEC. 580. The Secretary is directed to establish appropriate procedures to ensure that no child shall be the subject of any research or experimentation under this title other than routine testing and normal program evaluation unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

"PARENTAL RESPONSIBILITY

"SEC. 581. Nothing in this title shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. Nor shall any section of this title be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law."

(b) In order to achieve, to the greatest degree feasible, the consolidation and coordination of programs providing child care services, while assuring continuity of existing programs during transition to the programs authorized under this title, the Economic Opportunity Act of 1964 is amended, effective July 1, 1974, as follows:

(1) Section 222 (a) (1) of such Act is repealed.

(2) Section 162 (b) of such Act is amended by inserting after "day care for children" the following: " (wherever feasible, through child care programs under title V of this Act) ".

(3) Section 123 (a) (6) of such Act is amended by inserting after "day care for children" the following: " (wherever feasible, through child care programs under title V of this Act) ".

(4) Section 312 (b) (1) of such Act is amended by inserting after "day care for children" the following: " (wherever feasible, through child care programs under title V of this Act) ".

(c) The Director of the Office of Economic Opportunity and the Secretary of Health, Education, and Welfare shall take all necessary steps to coordinate programs under their jurisdictions which provide day care, with a view to establishing, insofar as possible, a common set of program standards and regulations, and mechanisms for coordination at the State and local levels.

(d) (1) Section 203 (j) ([illegible]) of the Federal Property and Administrative Services Act of 1949 is amended by striking out "or civil defense" and inserting in lieu thereof "civil defense, or the operation of child care facilities".

(2) Section 203 (j) (3) of such Act is amended—

(A) by striking out, in the first sentence, "or public health" and inserting in lieu thereof "public health, or the operation of child care facilities",

(B) by inserting after "handicapped," in clause (A) and clause (B) of the first sentence the following: "child care facilities,", and

(C) by inserting after "public health purposes" in the second sentence the following: ", or for the operation of child care facilities,".

(3) Section 203 (j) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) The term 'child care facility' means any such facility as defined in 541 (b) (1) of the Economic Opportunity Act of 1964."

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 16. (a) The Economic Opportunity Act is amended by inserting immediately after title VI the following new title:

"TITLE VII—COMMUNITY ECONOMIC DEVELOPMENT

"STATEMENT OF PURPOSE

"SEC. 701. The purpose of this title is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits.

"PART A—SPECIAL IMPACT PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 711. The purpose of this part is to establish special programs of assistance to private locally initiated community corporations and related nonprofit agencies, including cooperatives, or organizations conducting activities which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration, and (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this title.

"ESTABLISHMENT OF PROGRAMS

"SEC. 712. (a) The Director is authorized to provide financial assistance to community development corporations and to cooperatives and other nonprofit agencies in conjunction with qualifying community development corporations for the payment of all or part of the costs of programs which are designed to carry out the purposes of this part. Such programs shall be restricted in number so that each is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include—

"(1) economic and business development programs, including programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the areas served so as to provide employment and ownership opportunities for residents of such areas, and programs including those described in title IV of this Act for small businesses in or owned by residents of such areas;

“(2) community development and housing activities which create new training, employment, and ownership opportunities and which contribute to an improved living environment; and

“(3) manpower training programs for unemployed or low-income persons which support and complement economic, business, housing, and community development programs, including without limitation activities such as those described in part B of title I of this Act.

“(b) The Director shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

“REQUIREMENTS FOR FINANCIAL ASSISTANCE

“SEC. 713. (a) The Director, under such regulations as he may establish, shall not provide financial assistance for any program or component project under this part unless he determines that—

“(1) such community development corporation is responsive to residents of the area under guidelines established by the Director;

"(2) all projects and related facilities will, to the maximum feasible extent, be located in the area served;

"(3) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses and housing, cooperatively or otherwise, by residents of the area served;

"(4) projects will be planned and carried out with the maximum participation of local businessmen and financial institutions and organizations by their inclusion on program boards of directors, advisory councils, or through other appropriate means;

"(5) the program will be appropriately coordinated with local planning under this Act, the Demonstration Cities and Metropolitan Development Act of 1966, and with other relevant planning for physical and human resources of the areas served;

"(6) the requirements of subsections 122 (e) and 124 (a) of this Act have been met;

"(7) preference will be given to low income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and

"(8) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas, other than those for which programs are established under this part.

"(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in an increase in unemployment in the area of original location.

"(c) The level of financial assistance for related purposes under this Act to the area served by a special impact program shall not be diminished in order to substitute funds authorized by this part.

"APPLICATION OF OTHER FEDERAL RESOURCES

"SEC. 714. (a) SMALL BUSINESS ADMINISTRATION PROGRAMS.—

"(1) Funds granted under this part which are invested, directly or indirectly, in a small business investment company or a local development company shall be included as 'private paid-in capital and paid-in surplus,' 'combined paid-in capital and paid-in surplus,' and 'paid-in capital' for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

"(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1971, the Administrator of the Small Business Administration, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

"(b) ECONOMIC DEVELOPMENT ADMINISTRATION PROGRAMS.—

"(1) Areas selected for assistance under this part shall be deemed 'redevelopment areas' within the meaning of section 401 of the Public Works and Economic Development Act of 1965, and shall qualify for assistance under the provisions of title I and title II of that Act and shall be deemed to fulfill the overall economic development planning requirements of section 202(b)(10) thereof.

"(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1971, the Secretary of Commerce, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to insure the availability to community development corporations of such programs as shall further the purposes of this part.

"(c) PROGRAMS OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The Secretary of Housing and Urban Development, after consultation with the Director, shall take all necessary steps (1) to assure that community development corporations assisted under this part or their subsidiaries, shall qualify as sponsors under section 106 of the Housing and Urban Development Act of 1968, and sections 221, 235, and 236 of the National Housing Act of 1949; (2) to assure that land for housing and business location and expansion is made available under title I of the Housing Act of 1949 as may be necessary to carry out the purposes of this part; and (3) to assure that funds are available under section 701 (b) of the Housing Act of 1954 to community development corporations assisted under this part.

"(d) COORDINATION AND COOPERATION.—The Director shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this part.

"(e) REPORTING ON OTHER FEDERAL RESOURCES.—On or before six months after the date of enactment of the Economic Opportunity Amendments of 1971, and annually thereafter, the Director shall submit to the Congress a detailed report setting forth a description of all Federal agency programs which he finds relevant to achieving the purposes of this part and the extent to which such programs have been made available to community development corporations receiving financial assistance under this part including specifically the availability and effectiveness of programs referred to in subsections (a), (b), and (c) of this section. Where appropriate, the report required under this subsection also shall contain recommendations for the more effective utilization of Federal agency programs for carrying out the purposes of this part.

"FEDERAL SHARE

"SEC. 715. Federal grants to any program carried out pursuant to this part, including grants used by community development corporations for capital investments, shall (1) not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that assistance in excess of such percentage is required in furtherance of the purposes of this part, and (2) be made available for deposit to the grantee, under conditions which the Director deems appropriate, within thirty days following approval by the Director and the local community development corporation of the grant agreement. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. Capital investments made with funds granted as a result of the Federal share of the costs of programs carried out under this part, and the proceeds from such capital investments, shall not be considered Federal property.

"PART B—RURAL PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 721. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterpirse.

"FINANCIAL ASSISTANCE

"SEC. 722. (a) The Director is authorized to provide financial assistance, including loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time, to any low-income rural family where, in the judgment of the Director, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of such families, or will contribute to the improvement of their living or housing conditions, by assisting or permitting them to—

"(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

"(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment; or

"(3) participate in cooperative associations, or to finance nonagricultural enterprises which will enable such families to supplement their income.

"(b) The Director is authorized to provide financial assistance to local cooperative associations in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative programs for farming, purchasing, marketing, processing, and to improve their income as producers and their purchasing power as consumers, and to provide such essentials as credit and health services. Costs which may be defrayed shall include but not be limited to—

"(1) administrative costs of staff and overhead;

"(2) costs of planning and developing new enterprises;

"(3) costs of acquiring technical assistance; and

"(4) initial capital where it is determined by the Director that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.

“LIMITATIONS ON ASSISTANCE

“SEC. 723. (a) No financial assistance shall be provided under this part unless the Director determines that—

“(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;

“(2) adequate technical assistance is made available and committed to the programs being supported;

“(3) such financial assistance will materially further the purposes of this part; and

“(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.

“(b) The level of financial assistance for related purposes under this Act to the area served by a program under this part shall not be diminished in order to substitute funds authorized by this part.

“PART C—SUPPORT PROGRAMS

“TRAINING AND TECHNICAL ASSISTANCE

“SEC. 731. (a) The Director shall provide directly or through grants, contracts, or other arrangements such technical assistance and training of personnel as may be required to effectively implement the purposes of this title. No financial assistance shall be provided to any public or private organization under this section unless the Director provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

"(b) Technical assistance to community development corporations and both urban and rural cooperatives may include planning, management, legal, preparation of feasibility studies, product development, marketing, and the provision of stipends to encourage skilled professionals to engage in full-time activities under the direction of a community organization financially assisted under this title.

"(c) Training for employees of community development corporations and for employees and members of urban and rural cooperatives shall include, but not be limited to, on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial, planning, and other technical and organizational skills which will contribute to the effectiveness of programs assisted under this title.

"DEVELOPMENT LOAN FUND

"SEC. 732. (a) The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations and to cooperatives eligible for financial assistance under section 712 of this title, to families under section 722(a), and to local cooperatives eligible for financial assistance under section 722(b) for business, housing, and community development projects who the Director determines will carry out the purposes of this title. No loans, guarantees, or other financial assistance shall be provided under this section unless the Director determines that—

"(1) there is reasonable assurance of repayment of the loan;

"(2) a loan is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs; and

"(3) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made.

Loans made by the Director pursuant to this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes, except that, for the five years following the date on which funds are initially available to the borrower, the rate of interest shall be set at a rate considered appropriate by the Director in light of the particular needs of the borrower, which rate shall not be lower than 1 per centum. All such loans shall be repayable within a period of not more than thirty years.

"(b) The Director is authorized to adjust interest rates, grant moratoriums on repayment of principal and interest, collect or compromise any obligations held by him, and to take such other actions in respect to such loans as he shall determine to be necessary or appropriate, consistent with the purposes of this section.

"(c) (1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fnd and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

"(2) The Rural Development Loan Fund shall consist of (A) repayments of principal and interest and other receipts from the lending and guaranty operations of such revolving fund and the revolving fund previously established under section 306 of this Act, the assets and liabilities of which shall be transferred to the Rural Development Loan

Fund, effective July 1, 1972, and (B) such amounts as may be deposited in such Fund by the Director out of funds made available from appropriations for the purposes of carrying out this title.

"(3) The Community Development Loan Fund shall consist of (A) repayments of principal and interest and other receipts from the lending and guaranty operations of such revolving fund, and (B) such amounts as may be deposited in such fund by the Director out of funds made available from appropriations for the purpose of carrying out this title. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which he has made available for grants to community development corporations not less than $60,000,000 out of funds made available from appropriations for the purpose of carrying out this title.

"EVALUATION AND RESEARCH

"SEC. 733. (a) Each program for which grants are made under this title shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted by such public or private organizations as the Director may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. The results of such evaluations, together with the Director's findings and recommendations concerning the program, shall be included in the report required by section 608 of this Act.

"(b) The Director shall conduct, either directly or through grants or other arrangements, research designed to suggest new programs and policies to achieve the purposes of this title in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents. The Director shall particularly investigate the feasibility and most appropriate manner of establishing development banks and similar institutions and shall report to the Congress on his research findings and recommendations not later than June 30, 1973.

"PART D—GENERAL

"PROGRAM DURATION AND AUTHORITY

"SEC. 741. The Director shall carry out programs provided for in this title during the fiscal year ending June 30, 1972, and for the two succeding fiscal years. For each fiscal year only such sums may be appropriated as the Congress may authorize by law."

(b) Part D of title I of the Economic Opportunity Act of 1964 is repealed.

(c) Effective after June 30, 1972, part A of title III of the Economic Opportunity Act of 1964 is repealed.

LEGAL SERVICES PROGRAM AND EVALUATION OF PROGRAMS

SEC. 17. (a) The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new titles:

"TITLE IX—NATIONAL LEGAL SERVICES CORPORATION

"DECLARATION OF POLICY

"SEC. 901. The Congress hereby finds and declares that—

"(1) it is in the public interest to provide greater access to attorneys and appropriate institutions for the orderly resolution of grievances and as a means of securing orderly change, responsiveness, and reform;

"(2) many low-income persons are unable to afford the cost of legal services or of access to appropriate institutions;

"(3) access to legal services and appropriate institutions for all citizens of the United States not only is a matter of private and local concern, but also is of appropriate and important concern to the Federal Government;

"(4) the integrity of the attorney-client relationship and of the adversary system of justice in the United

States require that there be no political interference with the provision and performance of legal services;

"(5) existing legal services programs have provided economical, effective, and comprehensive legal services to the client community so as to bring about a peaceful resolution of grievances through resort to orderly means of change; and

"(6) a private nonprofit corporation should be created to encourage the availability of legal services and legal institutions to all citizens of the United States, free from extraneous interference and control.

"ESTABLISHMENT OF CORPORATION

"SEC. 902. (a) There is established a nonprofit corporation, to be known as the 'National Legal Services Corporation' (hereinafter referred to as the 'Corporation') which shall not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this title, and, to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act. The right to repeal, alter, or amend this title is expressly reserved.

"(b) No part of the net earnnigs of the Corporation shall inure to the benefit of any private person, and it shall be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal

Revenue Code of 1954 which is exempt from taxation under section 501 (a) of such Code.

"PROCESS OF INCORPORATION AND ORGANIZATION

"SEC. 903. (a) There shall be a transition period of six months following the date of enactment of the Economic Opportunity Amendments of 1972 for the process of incorporation and initial organization of the Corporation.

"(b) There is established an incorporating trusteeship composed of the following persons or their designees: the president of the American Bar Association, the president of the National Legal Aid and Defender Association, the president of the Association of American Law Schools, the president of the American Trial Lawyers Association, and the president of the National Bar Association. The incorporating trusteeship shall meet within thirty days after the enactment of the Economic Opportunity Amendments of 1972 to carry out the provisions of this section.

"(c) (1) Not later than sixty days after the enactment of the Economic Opportunity Amendments of 1972, the incorporating trusteeship, after consulting with and receiving the recommendations of national organizations of persons eligible for assistance under this title, shall establish the initial Clients Advisory Council to be composed of eleven members selected, in accordance with procedures established by the incorporating trusteeship, from among individuals eligible for assistance under this title.

"(2) Not later than sixty days after the enactment of the Economic Opportunity Amendments of 1972, the incorporating trusteeship, after consulting with and receiving the recommendations of associations of attorneys actively engaged in conducting legal services programs, shall establish the initial Project Attorneys Advisory Council to be composed of eleven members selected, in accordance with procedures established by the incorporating trusteeship, from among attorneys who are actively engaged in providing legal services under any existing legal services program.

"(3) To assist in carrying out the provisions of this subsection, the Director of the Office of Economic Opportunity shall compile a list of all legal services programs publicly funded during the fiscal year ending June 30, 1972, and the subsequent fiscal year and furnish such list to the incorporating trusteeship. In order to carry out the provisions of this subsection, the Director of the Office of Economic Opportunity shall make available to the incorporating trusteeship such administrative services and financial and other resources as it may require.

"(d) Not later than ninety days after the enactment of the Economic Opportunity Amendments of 1972, all lists required to be submitted as provided in section 904(a) for persons to serve on the initial board of directors shall be submitted to the President.

"(e) During the ninety-day period of incorporation of the Corporation the incorporating trusteeship shall take whatever actions are necessary to incorporate the Corporation, including the filing of articles of incorporation under the District of Columbia Nonprofit Corporation Act, and to prepare for the first meeting of the board of directors, except the selection of the executive director of the Corporation.

"(f) During the ninety-day period immediately following the period specified in subsection (e) of this section the board shall take whatever action is necessary to prepare to begin to carry out the activities of the Corporation six months after the enactment of the Economic Opportunity Amendments of 1972.

"DIRECTORS AND OFFICERS

"SEC. 904. (a) The Corporation shall have a board of directors consisting of seventeen individuals appointed by the President, by and with the consent of the Senate, one of whom shall be elected annually by the board to serve as chairman. Members of the board shall be appointed as follows:

"(1) Six members shall be appointed from among individuals in the general public, not less than three of whom shall be members of the bar of the highest court of a State.

"(2) Two members shall be appointed from lists of nominees submitted by the Judicial Conference of the United States.

"(3) Two members shall be appointed from among individuals who are eligible for assistance under this title from lists of nominees submitted by the Clients Advisory Council.

"(4) Two members shall be appointed from among former legal services project attorneys from lists of nominees submitted by the Project Attorneys Advisory Council.

"(5) Five members shall be appointed as follows—

"(A) one member from lists of nominees submitted by the American Bar Association;

"(B) one member from lists of nominees submitted by the Association of American Law Schools;

"(C) one member from lists of nominees submitted by the National Bar Association;

"(D) one member from lists of nominees submitted by the National Legal Aid and Defender Association; and

"(E) one member from lists of nominees submitted by the American Trial Lawyers Association.

Each initial list and any subsequent list shall include at least three and not more than ten names for each position to be filled.

"(b) The directors appointed under subsection (a) shall be appointed for terms of three years except that—

"(1) the terms of the directors first taking office shall be effective on the ninety-first day after the enactment of the Economic Opportunity Amendments of 1972;

"(2) the terms of the directors first taking office shall expire, as designated by the President at the time of appointment, as follows—

"(A) in the case of directors appointed under paragraph (1) of section 904 (a), two at the end of three years, two at the end of two years, and two at the end of one year;

"(B) in the case of directors appointed under paragraph (2) of section 904 (a), one at the end of two years, and one at the end of one year;

"(C) in the case of directors appointed under paragraph (3) of section 904 (a), one at the end of three years and one at the end of one year;

"(D) in the case of directors appointed under paragraph (4) of section 904 (a), one at the end of three years and one at the end of two years; and

"(E) in the case of directors appointed under paragraph (5) of section 904(a), (i) the term of the director appointed under clause (A) shall expire at the end of three years, (ii) the term of the director appointed under clause (B) shall expire at the end of three years, (iii) the term of the director appointed under clause (C) shall expire at the end of two years, (iv) the term of the director appointed under clause (D) shall expire at the end of one year, and (v) the term of the director appointed under clause (E) shall expire at the end of one year; and

"(3) any director appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(c) The Corporation shall have an executive director, who shall be an attorney, and such other officers, as may be named and appointed by the board of directors at rates of compensation fixed by the board, who shall serve at the pleasure of the board. No individual shall serve as executive director of the Corporation for a period in excess of six years. The executive director shall serve as a member of the board ex officio and shall serve without a vote.

"(d) No political test or qualification shall be used in selecting, appointing, or promoting any officer, attorney, or employee of the Corporation. No officers or employees of the Corporation shall receive any salary from any source other than the Corporation during the period of employment by the Corporation.

"(e) All meetings of the board, executive committee of the board, and advisory councils shall, whenever appropriate, be open to the public, and proper notice of such meetings shall be provided to interested parties and the public a reasonable time prior to such meetings.

"(f) No member of the board may participate in any decision, action, or recommendation with respect to any matter which directly benefits that member or any firm or organization with which that member is then currently associated.

"(g) Any board after the initial board shall, in consultation with the respective advisory councils, provide for rules with respect to the subsequent meetings of the Clients Advisory Council and the Project Attorneys Advisory Council.

"ADVISORY COUNCILS; EXECUTIVE COMMITTEE

"SEC. 905. (a) The board, after consulting with and receiving the recommendations of national organizations of persons eligible for assistance under this title, shall provide for the selection of a Clients Advisory Council subsequent to the first such council established under section 903 (c) (1) of this title to be composed of not more than eleven members selected in accordance with procedures established by the board, including terms of office, qualifications, and method of selection and appointment, from among individuals who are eligible for assistance under this title. Such procedures must insure that all areas of the country and significant segments of the client population are represented, and in no event may more than one representative on such council be from any one State. The Clients Advisory Council shall advise the board of directors and the executive director on policy matters relating to the needs of the client community and may act as liaison between the client community and legal services programs through such activities as it deems appropriate, including informational programs in languages other than English. The Clients Advisory Council shall submit the lists of individuals for appointment as members of the board in accordance with section 904 (a).

“(b) The board, after consulting with and receiving the recommendations of associations of attorneys actively engaged in conducting legal services programs, shall provide for the selection of a Project Attorneys Advisory Council subsequent to the first such council established under section 903 (c) (2) of this title to be composed of not more than eleven members selected in accordance with procedures established by the board, including terms of office, qualifications, and method of selection and appointment, from among attorneys who are actively engaged in providing legal services under this title. Such procedures must ensure that all areas of the country are represented, and in no event may more than one representative on such council be from any one State. The Project Attorneys Advisory Council shall advise the board of directors and the executive director on policy matters relating to the furnishing of legal services to members of the client community. The Project Attorneys Advisory Council shall submit the lists of individuals for appointment as members of the board in accordance with section 904 (a).

"(c) The board shall provide for sufficient resources for each Advisory Council in order to pay such reasonable travel costs and expenses as the board may determine.

"(d) The board may establish an executive committee of not less than five members nor more than seven members which shall include the chairman of the board, at least one director appointed pursuant to paragraph (1) of section 904 (a), one director appointed pursuant to paragraph (3) or (4) of section 904 (a), and one director appointed pursuant to paragraph (5) section 904.

"ACTIVITIES AND POWERS OF THE CORPORATION

"SEC. 906. (a) Effective six months after the enactment of the Economic Opportunity Amendments of 1972, in order to carry out the purposes of this title, the Corporation is authorized to—

"(1) provide financial assistance to qualified programs furnishing legal services to members of the client community;

"(2) provide financial assistance to pay the costs of contracts or other agreements made pursuant to section 903 of this title;

"(3) carry out research, training, technical assistance, experimental, legal paraprofessional and clinical assistance programs;

"(4) through financial assistance and other means, increase opportunities for legal education among individuals who are members of a minority group or who are economically disadvantaged;

"(5) provide for the collection and dissemination of information designed to coordinate and evaluate the effectiveness of the activities and programs for legal services in various parts of the country;

"(6) offer advice and assistance to all programs providing legal services and legal assistance to the client community conducted or assisted by the Federal Government including—

"(A) reviewing all grants and contracts for the provision of legal services to the client community made under other provisions of Federal law by any agency of the Federal Government and making recommendations to the appropriate Federal agency;

"(B) reviewing and making recommendations to the President and Congress concerning any proposal whether by legislation or executive action, to establish a federally assisted program for the provision of legal services to the client community; and

"(C) upon request of the President, providing training, technical assistance, monitoring and evaluation services to any federally assisted legal services program;

"(7) establish such procedures and take such other measures as may be necessary to assure that attorneys employed by the Corporation and attorneys paid in whole or in part from funds provided by the Corporation carry out the same duties to their clients and enjoy the same protection from interference as if such an attorney was hired directly by the client, and to assure that such attorneys adhere to the same Code of Professional Responsibility and Canons of Ethics of the American Bar Association as are applicable to other attorneys;

"(8) establish standards of eligibility for the provision of legal services to be rendered by any grantee or contractee of the Corporation with special provision for priority for members of the client community whose means are least adequate to obtain private legal services;

"(9) establish policies consistent with the best standards of the legal profession to assure the integrity, effectiveness, and professional quality of the attorneys providing legal services under this title; and

"(10) carry on such other activities as would further the purposes of this title.

"(b) In the performance of the functions set forth in subsection (a), the Corporation is authorized to—

"(1) make grants, enter into contracts, leases, cooperative agreements, or other transactions, in accordance with bylaws established by the board of directors appropriate to conduct the activities of the Corporation;

"(2) accept unconditional gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible, and use, sell, or otherwise dispose of such property for the purpose of carrying out its activities;

"(3) appoint such attorneys and other professional and clerical personnel as may be required and fix their compensation in accordance with the provision of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule rates;

"(4) promulgate regulations containing criteria specifying the manner of approval of applications for grants based upon the following considerations—

"(A) the most economical, effective, and comprehensive delivery of legal services to the client community in both urban and rural areas;

"(B) peaceful resolution of grievances and resort to orderly means of seeking change; and

"(C) maximum utilization of the expertise and facilities of organizations presently specializing in the delivery of legal services to the client community;

"(5) establish and maintain a law library;

"(6) establish procedures for the conduct of legal services programs assisted by the Corporation containing a requirement that the applicant will give assurances that the program will be supervised by a policymaking board on which the members of the legal profession constitute a majority (except that the Corporation may grant waivers of this requirement in the case of a legal services program which, upon the date of enactment of the Economic Opportunity Amendments of 1972, has a majority of persons who are not lawyers on its policymaking board) and members of the client community constitute at least one-third of the members of such board.

"(c) In any case in which services, otherwise authorized, are performed for the Federal Government by the Corporation, the Corporation shall be reimbursed for the cost of such services pursuant to an agreement between the executive director of the Corporation and the head of the agency of the Federal Government concerned.

"(d) The Corporation shall ensure that attorneys employed full time in programs funded by the Corporation refrain from any outside practice of law unless permitted as pro bono publico activity pursuant to guidelines established by the Corporation.

"(e) The Corporation shall ensure (1) that all attorneys who are not representing a client or group of clients refrain, while engaged in activities carried on by legal services programs funded by the Corporation, from undertaking to influence the passage or defeat of any legislation by the Congress or State or local legislative bodies by representations to such bodies, their members, or committees, unless such bodies, their members, or their committees request that the attorney make representations to them, and (2) that no funds provided by the Corporation shall be utilized for any activity which is planned and carried out to disrupt the orderly conduct of business by the Congress or State or local legislative bodies, for any demonstration, rally, or picketing aimed at the family or home of a member of a legislative body for the purpose of influencing his actions as a member of that body, and for conducting any campaign of advertising carried on through the commercial media for the purpose of influencing the passage or defeat of legislation.

"(f) The Corporation shall insure that no attorneys or other persons employed by it or employed or engaged in programs funded by the Corporation shall, in any case, solicit the client community or any member of the client community for professional employment; and no funds of the Corporation shall be expanded in pursuance of any employment which results from any such solicitation. For the purpose of this subsection, solicitaton does not include mere announcement or advertisement, without more, of the fact that the National Legal Services Corporation is in existence and that its services are available to the client community, and does not include any conduct or activity which is permissible under the Code of Professional Responsibility and Canons of Ethics of the American Bar Association governing solicitation and advertising.

"(g) The Corporation shall establish guidelines for consideration of possible appeals to be implemented by each grantee or contractee of the Corporation to insure the efficient utilization of resources. Such guidelines shall in no way interfere with the attorney's responsibilities and obligations under the Canons of Professional Ethics and the Code of Professional Responsibility.

"(h) At a reasonable time prior to the Corporation's approval of any grant or contract application, the Corporation shall notify the State bar association of the State in which the recipient will offer legal services. Notification shall include a reasonable description of the grant or contract application.

"(i) No funds or personnel made available by the Corporation pursuant to this title shall be used to provide legal services with respect to any criminal proceeding.

"NONPROFIT AND NONPOLITICAL NATURE OF THE CORPORATION

"SEC. 907. (a) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(b) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as reasonable compensation for services.

"(c) The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

"(d) The Corporation shall insure that all employees of legal services programs assisted by the Corporation, while engaged in activities carried on by legal services programs, refrain (1) from any partisan or nonpartisan political activity associated with a candidate for public or party office, and (2) from any voter registration activity other than legal representation or any activity to provide voters or prospective voters with transportation to the polls. Employees of the Corporation or of programs assisted by the Corporation shall not at any time identify the Corporation or the program assisted by the Corporation with any partisan or nonpartisan political activity associated with a candidate for public or party office. The Board of Directors of the Corporation shall set appropriate guidelines for the private political activities of full-time employees of the Corporation or of programs assisted by the Corporation.

"ACCESS TO RECORDS AND DOCUMENTS RELATED TO THE CORPORATION

"SEC. 908. (a) Copies of all records and documents pertinent to each grant and contract made by the Corporation shall be maintained in the principal office of the Corporation in a place readily accessible and open to public inspection during ordinary working hours for a period of at least five years subsequent to the making of such grant or contract.

"(b) Copies of all reports pertinent to the evaluation, inspection, or monitoring of grantees and contractees shall be maintained for a period of at least three years in the principal office of the Corporation subsequent to such evaluation, inspection, or monitoring visit. Upon request, the substance of such reports shall be furnished to the grantee or contractee who is the subject of the evaluation, inspection, or monitoring visit.

"(c) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing regulations and guidelines, and it shall publish in the Federal Register on a timely basis all its bylaws, regulations, and guidelines.

"(d) The Corporation shall be subject to the provisions of the Freedom of Information Act.

"FINANCING OF THE CORPORATION

"SEC. 909. In addition to any funds reserved and made available for payment to the Corporation from appropriations for carrying out the Economic Opportunity Act of 1964 for any fiscal year, there are further authorized to be appropriated for payment to the Corporation such sums as may be necessary for any fiscal year. Funds made available to the Corporation from appropriations for any fiscal year shall remain available until expended.

"RECORDS AND AUDIT OF THE CORPORATION AND THE RECIPIENTS OF ASSISTANCE

"SEC. 910. (a) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by any independent licensed public accountant certified or licensed by a regulatory authority of a State or political subdivision. Each such audit shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person conducting the audit, consistent with the necessity of maintaining the confidentiality required by the best standards of the legal profession, and full facilities for verifying transactions with the balance, or securities held by depositories fiscal agents, and custodians shall be afforded to any such person. The report of each such independent audit shall be included in the annual report required under this title. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities, and surplus or deficit of the Corporation, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the income and expenses of the Corporation during the year, and a statement of the sources and application of funds, together with the opinion of the independent auditor of those statements.

"(b) (1) The accounts and operations of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States, consistent with the necessity of maintaining the confidentiality required by the best standards of the legal profession. Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or used by the Corporation pertaining to its accounts and operations, including the reports pertinent to the evaluation, inspection, or monitoring of grantees and contractors required to be maintained by section 908(b) and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in the possession and custody of the Corporation.

"(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the operations and conditions of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other transaction or undertaking observed in the course of the audit, which in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the executive director and to each member of the board at the time submitted to the Congress.

"(c) (1) Each grantee or contractee, other than a recipient of a fixed price contract awarded pursuant to competitive bidding procedures, under this title shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Corporation or any of its duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title. The Comptroller General of the United States, or any of his duly authorized representatives shall also have access thereto for such purpose during any fiscal year for which Federal funds are available to the Corporation.

"REPORTS TO CONGRESS

"SEC. 911. The Corporation shall prepare an annual report for transmittal to the President and the Congress on or before the 30th day of January of each year, summarizing the activities of the Corporation and making such recommendations as it may deem appropriate. This report shall include finding and recommendations concerning the preservation of the attorney-client relationships and adherence to the Code of Professional Responsibility of the American Bar Association in the conduct of programs supported by the Corporation. The report shall include a comprehensive and detailed report of the operations, activities, financial condition, and accomplishments of the Corporation, together with the additional views and recommendations, if any, of members of the board.

"DEFINITIONS

"SEC. 912. As used in this title, the term—

"(1) 'State' means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(2) 'Corporation' means the National Legal Services Corporation established pursuant to this title;

"(3) 'client community' means individuals unable to obtain private legal counsel because of inadequate financial means;

"(4) 'member of the client community' includes any person unable to obtain private legal counsel because of inadequate financial means;

"(5) 'legal services' includes legal advice, legal representation, legal research, education concerning legal rights and responsibilities, and similar activities (including, in areas where a significant portion of the client community speaks a language other than English as the predominant language, or is bilingual, services to those members of the client community in the appropriate language other than English);

"(6) 'legal profession' refers to that body composed of all persons admitted to practice before the highest court of at least one State of the United States; and

"(7) 'nonprofit', as applied to any foundation, corporation, or association means a foundation, corporation, or association, no part of the net earnings of which inures, or may lawfully inure to the benefit of any private shareholder or individual.

"PROHIBITION ON FEDERAL CONTROL

"SEC. 913. Nothing contained in this title shall be deemed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the Corporation or any of its grantees or contractees or employees, or over the charter or bylaws of the Corporation, or over the attorneys providing legal services pursuant to this title, or over the members of the client community receiving legal services pursuant to this title.

"SPECIAL LIMITATIONS

"SEC. 914. The board shall prescribe procedures to ensure that—

"(1) financial assistance shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, unless the grantee or contractee has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance shall not be terminated, an application for refunding shall not be denied, and an emergency suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee or contractee has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

"COORDINATION

"SEC. 915. The President may direct that particular support functions of the Federal Government, such as the General Services Administration, the Federal telecommunications system, and other facilities, be utilized by the Corporation or its grantees or contractees to the extent not inconsistent with other applicable law.

"TRANSFER MATTERS

"SEC. 916. (a) Notwithstanding any other provision of law, on and after such date as may be prescribed by the Director of the Office of Management and Budget, or six months after the enactment of the Economic Opportunity Amendments of 1972, whichever is the earlier, all rights of the Office of Economic Opportunity to capital equipment in the possession of legal services programs assisted pursuant to sections 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964, shall become the property of the National Legal Services Corporation.

"(b) Effective six months after the date of enactment of the Economic Opportunity Amendments of 1972, all personnel, assets, liabilities, property, and records as determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Director under section 222(a)(3) of this Act shall be transferred to the Corporation. Personnel transferred (except personnel under schedule A of the excepted service) under this subsection shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in classification or compensation for one year after such transfer. The Director shall take whatever action is necessary and reasonable to seek suitable employment for personnel who would otherwise be transferred pursuant to this subsection who do not wish to transfer to the Corporation.

"(c) Collective bargaining agreements in effect on the date of enactment of the Economic Opportunity Amendments of 1972 covering employees transferred pursuant to subsection (b) of this section shall continue to be recognized by the Corporation until altered or amended pursuant to law.

"TITLE X—EVALUATION

"COMPREHENSIVE EVALUATION OF PROGRAM

"SEC. 1001. (a) The Director shall provide for evaluations that describe and measure with appropriate means and to the extent feasible, the impact of programs, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services and including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. He may, for these purposes, contract or make other arrangements for independent evaluations of those programs or individual projects.

"(b) The Director shall to the extent feasible develop and publish standards for evaluation of program effectiveness in achieving the objectives of this Act.

"(c) The Director may require community action agencies to provide independent evaluations.

"(d) Federal agencies administering programs related to this Act shall—

"(1) cooperate with the Director in the discharge of his responsibility to plan and conduct evaluations of such poverty-related programs as he judges appropriate, to the fullest extent permitted by other applicable law; and

"(2) provide the Director with such statistical data, program reports, and other materials as they presently collect and compile on program operations, beneficiaries, and effectiveness.

"(e) In carrying out evaluations under this title, the Director shall, whenever possible, arrange to obtain the opinions of program participants about the strengths and weaknesses of the programs.

"(f) The Director may consult, when appropriate, with State agencies, in order to provide for jointly sponsored objective evaluation studies of programs on a State basis.

"(g) The Director shall publish summaries of the results of evaluative research and evaluations of program impact and effectiveness no later than sixty days after its completion.

"(h) The Director shall take necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds shall become the property of the United States.

"(i) The Director shall publish summaries of the results of activities carried out pursuant to this title in the report required by section 608."

(b) (1) The Director of the Office of Economic Opportunity shall take such action as may be necessary, in cooperation with the executive director of the National Legal Services Corporation, to arrange for the orderly continuation by such corporation of financial assistance to legal services programs assisted pursuant to sections 222(a)(3), 230, 232, or any other provision, of the Economic Opportunity Act of 1964. Whenever the Director of the Office of Economic Opportunity determines that an obligation to provide financial assistance pursuant to any contract or grant agreement for such legal services will extend beyond six months after the date of enactment of this Act, he shall include in any such contract or agreement provisions to assure that the obligation to provide such financial assistance may be assumed by the National Legal Services Corporation, subject to such modifications of the terms and conditions of that contract or grant agreement as the Corporation determines to be necessary.

(2) Effective six months after the date of enactment of this Act, section 222 (a) (3) of the Economic Opportunity Act of 1964 is repealed.

(3) Notwithstanding any other provision of law, after the enactment of this Act but prior to the enactment of appropriations to carry out this title, the Director of the Office of Economic Opportunity shall, out of appropriations then available to him, make funds available to assist in meeting the organizational expenses of the National Legal Services Corporation and in carrying out its activities.

(4) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 622 thereof the following new section:

"INDEPENDENCE OF NATIONAL LEGAL SERVICES CORPORATION

"SEC. 623. Nothing in this Act, except title IX, and no reference to this Act unless such reference refers to title IX, shall be construed to affect the powers and activities of the National Legal Services Corporation."

(c) (1) Subsection (a) of section 113, subsections (b) and (c) of section 132, section 154, section 233, and section 314(b) of the Economic Opportunity Act of 1964 are repealed.

(2) Section 632(2) of such Economic Opportunity Act of 1964 is amended by striking out "carry on a continuing evaluation of all activities under this Act, and".

(3) Sections 132 and 314 of such Act are each amended by striking out "(a)".

SPECIAL PROGRAMS AUTHORIZED

SEC. 18. Part B of title II of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new sections:

"DESIGN AND PLANNING ASSISTANCE GRANTS

"SEC. 226. (a) The Director shall make grants or enter into contracts to provide financial assistance for the operating expenses of programs conducted by community-based design and planning organizations to provide technical assistance and professional architectural and related services relating to housing, neighborhood facilities, transportation and other aspects of community planning and development to persons and community organizations or groups not otherwise able to afford such assistance. Such programs shall be conducted with maximum use of the voluntary services of professional and community personnel. In providing assistance under this section, the Director shall afford priority to persons in urban or rural poverty areas with substandard housing, substandard public service facilities, and generally blighted conditions. Design and planning services to be provided by such organizations shall include—

"(1) comprehensive community or area planning and development;

"(2) specific projects for the priority planning and development needs of the community; and

"(3) educational programs directed to local residents emphasizing their role in the planning and development process in the community.

"(b) No assistance may be provided under this section unless such design and planning organization—

"(1) is a nonprofit organization located in the neighborhood or area to be served with a majority of the governing body of such organization comprised of residents of that neighborhood or area;

"(2) has as a primary function the goal of bringing about, through the involvement of the appropriate community action agency or otherwise, maximum possible participation of local residents, especially low-income residents, in the planning and decisionmaking regarding the development of their community; and

"(3) will carry out its design and planning services principally through the voluntary participation of professional and community personnel (including, where available, VISTA volunteers).

"(c) Design and planning organizations receiving assistance under this section shall not subcontract with any profitmaking organization or pay fees for architectural or other professional services.

"(d) The Director shall make whatever arrangements are necessary to continue pilot or demonstration projects of demonstrated effectiveness of the type described in this section receiving assistance under section 232 of this Act during the fiscal year ending June 30, 1971.

"YOUTH RECREATION AND SPORTS PROGRAM

"SEC. 227. (a) In order to provide to disadvantaged youth recreation and physical fitness instruction and competition with high-quality facilities and supervision and related educational and counseling services (including instruction concerning study practices, career opportunities, job responsibilities, health and nutrition, and drug abuse education) through regular association with college instructors and athletes and exposure to college and university campuses and other recreational facilities, the Director shall make grants or enter into contracts for the conduct of an annual youth recreation and sports program concentrated in the summer months and with continued activities throughout the year, so as to offer disadvantaged youth living in areas of rural and urban poverty an opportunity to receive such recreation and educational instruction, information, and services and to participate in such physical fitness programs and sports competitions.

"(b) No assistance may be provided under this section unless satisfactory assurances are received that not less than 90 per centum of the youths participating in each program to be assisted under this section are from families with incomes below the poverty level, as determined by the Director, and that such participating youths and other neighborhood residents, through the involvement of the appropriate community action agency or otherwise, will have maximum participation in program planning and operation.

"(c) Programs under this section shall be administered by the Director, through grants or contracts with any qualified organization of colleges and universities or such other qualified nonprofit organizations active in the field with access to appropriate recreational facilities as the Director shall determine in accordance with regulations which he shall prescribe. Each such grant or contract and subcontract with participating institutions of higher education or other qualified organizations active in the field shall contain provisions to assure that the program to be assisted will provide a non-Federal contribution (in cash or in-kind) of no less than 20 per centum of the direct costs necessary to carry out the program. Each such grant, contract, or subcontract shall include provisions for—

"(1) providing opportunities for disadvantaged youth to engage in competitive sports and receive sports skills and physical fitness instruction and education in good health and nutrition practices;

"(2) providing such youth with instruction and information regarding study practices, career opportunities, job responsibilities, and drug abuse;

"(3) carrying out continuing related activities throughout the year;

"(4) meeting the requirements of subsection (b) of this section;

"(5) enabling the contractor and institutions of higher education or other qualified organizations active in the field located conveniently to such areas of poverty and the students and personnel of such institutions or organizations active in the field to participate more fully in the community life and in solutions of community problems; and

"(6) serving metropolitan centers of the United States and rural areas, within the limits of program resources."

FUNCTIONS OF DIRECTOR

SEC. 19. Notwithstanding any other provision of law, unless enacted hereafter in limitation of the provisions of this section, no new transfers or delegations of programs administered by the Director of the Office of Economic Opportunity under titles II, III, VI, VII, and X of the Economic Opportunity Act of 1964, as amended, shall be made to the head of any other agency, during the fiscal year ending June 30, 1972, and the succeeding fiscal year.

PUERTO RICO

SEC. 20. (a) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity shall reserve, for the purpose of section 225 (a) of the Economic Opportunity Act of 1964, not more than 4 per centum of the appropriated sums for the fiscal year ending June 30, 1972, for Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs.

(b) Effective after June 30, 1972, section 225 (a) of such Act is amended by striking out "Puerto Rico,".

(c) Effective after June 30, 1972, the first sentence of paragraph (1) of section 609 of such Act is amended by striking out the word "or" the second time it appears in such sentence and inserting in lieu thereof a comma and the following: "Puerto Rico, or".

TECHNICAL PROVISIONS

SEC. 21. (a) The application of the formula prescribed by section 225 (a) of the Economic Opportunity Act of 1964 for the allotment of funds among the States may be waived by the Director to the extent he deems necessary to prevent hardship in the allotment of funds for programs under title II of such Act resulting from the discontinuance of the authorization for section 222 (a) (1) of such title by this Act.

(b) The Director may extend assistance under sections 221 and 222 (a) of the Economic Opportunity Act of 1964 to a community action agency or other agency which is in excess of the maximum prescribed in section 225 (c) of such Act, if he determines, in accordance with such regulations as he shall prescribe, that the ability of such agency to provide its share of the program costs pursuant to such section 225 (c) has been impaired by virtue of the discontinuance of the authorization for section 222 (a) (1) of such Act to an extent which justifies such additional assistance.

AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

SEC. 22. (a) Section 611(a) of the Older Americans Act of 1965 (42 U.S.C. 3044(b)) is amended by adding at the end thereof the following new sentence: "The Director of ACTION may approve assistance in excess of 90 per centum of the cost of the development and operation of such projects if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this section."

(b) The amendment made by subsection (a) of this section shall be effective from the date of enactment of this section. In the case of any project with respect to which, prior to such date, a grant or contract has been made under such section or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

92D CONGRESS
2D SESSION

S. 3228

IN THE SENATE OF THE UNITED STATES

FEBRUARY 24, 1972

Mr. JAVITS (for himself, Mr. SCHWEIKER, Mr. PACKWOOD, Mr. TAFT, Mr. STAFFORD, Mr. BOGGS, Mr. BROOKE, Mr. CASE, Mr. COOK, Mr. HATFIELD, Mr. MATHIAS, Mr. PERCY, Mr. SAXBE, and Mr. STEVENS) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

---

A BILL

To strengthen and expand the Headstart program, with priority to the economically disadvantaged, to amend the Economic Opportunity Act of 1964, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Headstart, Child Development, and Family Services Act of 1972".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) millions of children in the Nation, by reason of poverty or other dehabilitating factors, lack a full opportunity, particularly during early childhood years,

II

to receive adequate educational, nutritional, health and other services sufficient to enable them to reach their full potential;

(2) in exercising their moral and legal rights and responsibilities in respect to their children and families, many mothers, and single parents have determined it necessary or desirable to seek such services for their children in order to engage in employment, training, or education on a full- or part-time basis during hours when their children would ordinarily be in the home or to otherwise enhance the well being of their families by seeking supplemental educational and other services for their children and related services for other members of their families; and

(3) while there have been increased child care and developmental services for children of working mothers and single parents and while Headstart and similar programs have provided supplemental educational and other services for children, such services have not been made available to families to the extent that parents consider it necessary to contribute to the full development of their children and to improve the economic well being of their families and to otherwise strengthen family life.

(b) It is the purpose of this Act to provide a variety of quality family-centered child care and development service and other services to families, to assist parents in providing their children with an opportunity for a healthful and stimulating development regardless of economic, social and family backgrounds, with priority to those families and children with economic or other special needs, in a manner designed to strengthen family life and to ensure decisionmaking at the community level through a partnership of parents, State and local governments and the Federal Government, building upon the experience of Headstart and other existing programs.

AUTHORIZATION OF APPROPRIATIONS

Sec. 3. (a) For the purpose of carrying out this Act, there is authorized to be appropriated $1,200,000,000 for the fiscal year ending June 30, 1974, and $1,600,000,000 for the fiscal year ending June 30, 1975. Any amounts appropriated for each fiscal year which are not obligated at the end of such fiscal year may be obligated in the succeeding fiscal year.

(b) For the purpose of providing training, technical assistance, planning, and such other activities (including activities authorized under section 107) as the Secretary deems necessary and appropriate to prepare for the implementation of this Act, there is authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973.

(c) Of the amounts appropriated pursuant to subsection

(a) for any fiscal year, the Secretary shall allocate not less than 90 per centum only for the purposes of title I of this Act and the remainder shall be allocated only for the purposes of title II of this Act.

(d) (1) For the purpose of affording adequate notice of funding available under this Act such funding for grants, contracts, or other payments under this Act is authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, paragraph (d) (1) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

DEFINITIONS

SEC. 4. As used in this Act, the term—

(1) "Secretary" means the Secretary of Health, Education, and Welfare;

(2) "State" means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

(3) "child development and family service programs" means programs on a full-day or part-day basis which provide the educational, nutritional, health, and other services needed to provide the opportunity for children to attain their full potential, including services to other family members related to the full educational and other development of children;

(4) "children" means individuals who have not attained the age of fifteen;

(5) "economically disadvantaged children" means any children of a family having an annual income below the lower living standard budget (adjusted for regional and metropolitan, urban, and rural differences, and family size), as determined annually by the Bureau of Labor Statistics of the Department of Labor;

(6) "handicapped children" includes mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children or children with specific learning or other disabilities who by reason thereof require special education and related services;

(7) "program" includes any program, service, or activity, which is conducted full or part time, day or night, in special facilities, in schools, in neighborhood centers, or in homes, in group homes or in family group

homes or which provides child development and family services for children whose parents are working or receiving education or training and related family services;

(8) "parent" means any person who has day-to-day parental responsibility for any child;

(9) "single parent" means any person who has sole day-to-day responsibility for any child;

(10) "working mother" means any mother who requires child development and family services under this Act in order to undertake or continue full- or part-time work, training, or education outside her home;

(11) "minority group" includes, but is not limited to, persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, or Oriental, and, as determined by the Secretary, children who are from environments in which a dominant language is other than English and who, as a result of language barriers, may need special assistance, and, for the purpose of this paragraph, Spanish-surnamed Americans include persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry;

(12) "bilingual" means, but is not limited to, persons who are Spanish surnamed, American Indian, Oriental, Portuguese, or others who have learned dur-

ing childhood to speak the language of the minority group of which they are members and who, as a result of language barriers, may need special assistance;

(13) "local educational agency" means any such agency as defined in section 801 (f) of the Elementary and Secondary Education Act of 1965;

(14) "institution of higher education" means any such institution as defined in section 1201 (a) of the Higher Education Act of 1965;

(15) "low-income family" means a family whose annual income is less than the "poverty level" as defined by the Director of the Office of Economic Opportunity;

(16) "unit of general local government" shall mean any public agency having general governmental powers substantially similar to those of a city.

TITLE I—HEADSTART, CHILD DEVELOPMENT AND FAMILY SERVICES PROGRAMS

FINANCIAL ASSISTANCE

Sec. 101. The Secretary of Health, Education, and Welfare shall provide financial assistance to prime sponsors and to other public and nonprofit agencies and organizations in accordance with the provisions of this title for carrying out child development and family service programs under this title.

USES OF FUNDS

SEC. 102. Funds available for this title may be used for planning, establishing, maintaining, and operating the following child development and family service programs and activities, including but not limited to:

(1) Headstart and similar programs focused upon pre-school children in low-income and other families providing such comprehensive health, nutritional, educational, and other services as parents deem necessary to enable their child to achieve his or her full potential, including full day, part-day programs and programs for all or part of the week and for such months of the year as is deemed desirable by parents, and related programs for other children;

(2) child care for preschool and other children of a quality which insures that the health, nutritional, education, and other services which parents deem necessary to enable their child to achieve his or her full potential are provided during times when their mothers engage in employment, training or education on a full- or part-time basis;

(3) other programs designed to support and enhance family life and contribute to the full development of children and other family members. Such programs may include, but are not limited to, the following—

(A) referral services for family planning, and purchase of such services when not otherwise available;

(B) referral services for prenatal, medical, and nutritional care, and purchase of such services when not otherwise available, designed to reduce infant and maternal mortality and incidence of mental retardation and other handicapping conditions;

(C) programs to prepare adolescents and other family members for family responsibilities, including assistance to public secondary schools and nonprofit organizations to implement courses for adolescents and providing opportunities for the participation of adolescents in child development and family service programs authorized under this title;

(4) emergency child care programs for children of parents who are sick, incapacitated, or for other urgent reasons, temporarily unable to provide adequate care for their children;

(5) programs designed (i) to meet the special needs of minority group, Indian, and migrant children with particular emphasis on the needs of children from bilingual families for the development

of skills in English and the other language spoken in the home, and (ii) to meet the needs of all children to understand the history and cultural backgrounds of minority groups which belong to their communities and the role of members of such minority groups in the history and cultural development of the Nation and of the region in which they reside;

(6) diagnosis, identification, and treatment of visual, hearing, speech, nutritional, and other physical, mental, and emotional barriers to full participation in programs, including programs for preschool and other children who are emotionally disturbed;

(7) special activities designed to identify and ameliorate identified physical, mental, and emotional handicaps and special learning disabilities as an incorporated part of programs conducted under this title and, where necessary because of the severity of such handicaps, establishing, maintaining, and operating separate child development and family services programs designed primarily to meet the needs of handicapped children, including emotionally disturbed children;

(8) preservice and inservice training for parents, professional and paraprofessional personnel and volunteers for child development and family service programs;

(9) allowances for transportation and other costs

with respect to children where such costs are necessary to and directly related to such child's participation in programs under this title;

(10) rental, remodeling, renovation, alteration, construction or acquisition of facilities, including mobile facilities, and the acquisition of necessary equipment and supplies;

(11) staff and other administrative expenses of child development and family service councils, and project advisory committees established and operated in accordance with the provisions of this title; and

(12) such other services and activities as the Secretary deems appropriate in furtherance of the purposes of this title.

STATE AND LOCAL PRIME SPONSORS

SEC. 103. (a) In accordance with the provisions of this section, the following may be designated by the Secretary as a prime sponsor for the purpose of entering into arrangements directly with the Secretary to carry out programs under this title within a State:

(1) any State;

(2) any unit of general local government or any combination of such units having a total population of fifty thousand or more persons on the basis of the most satisfactory current data;

(3) any unit of general local government or any combination of such units, without regard to population, subject to a demonstration by the applicant of capability to carry out adequately a comprehensive child development and family service program, and of a particular demand for services and availability of resources within the area to be served;

(4) any Indian tribal organization;

(5) any other public agency or private nonprofit agency meeting the requirements of subsection (d), (h), or (i) of this section.

(b) Such applicants under this subsection may be designated, upon the approval by the Secretary of a prime sponsorship plan which—

(1) describes the prime sponsorship area to be served;

(2) sets forth satisfactory provisions for establishing and maintaining a child development and family service council which meets the requirements of section 104;

(3) provides that the prime sponsor shall be responsible for developing and preparing for each fiscal year a program statement in accordance with section 105 and any modification thereof and for selecting or establishing an agency or agencies to administer child development and programs in the prime sponsorship area;

(4) sets forth arrangements under which the child development and family services council will be responsible for approving program statements and the selection or establishment of an agency or agencies under paragraph (3) of this section and for evaluating child development and family service programs, conducted in the prime sponsorship area;

(5) set forth procedures to insure that all project applicants for financial assistance in the area to be served are given due consideration in accordance with regulations promulgated by the Secretary;

(6) provides assurances that the prime sponor has the capability (through the administering agency or agencies established or selected pursuant to paragraphs (3) and (4) of this subsection) to provide directly or by contract or arrangement with State, local, or other public agencies or other nonprofit organizations in an effective and comprehensive manner—

(A) child-related family, social, and rehabilitative services;

(B) coordination with educational agencies and providers of educational services;

(C) health (including family planning) and mental health services;

(D) nutrition services;

(E) training of professional and paraprofessional personnel;

(F) full-time administrative personnel to conduct the program;

(G) such other services, including transportation, as are necessary to participation of children in the program; and

(7) in the case of an applicant for prime sponsorship which is a State, designates for the purpose of administering programs under this title, local family service areas within the prime sponsorship area, whose boundaries are political jurisdictions or other appropriate areas;

(8) sets forth procedures with respect to each such local family service area, pursuant to regulations promulgated by the Secretary, for—

(A) the appointment of a director for each such local family service area, to be responsible to the administering agency or agencies established or selected under paragraphs (3) and (4) of this subsection for the administration of programs in such area;

(B) the establishment and maintenance of a local child development and family service council for each such area, to the fullest extent practicable, in the same manner and having the same composition as the child development and family service council required under section 104 of this Act, which council shall be responsible in cooperation with the director for the approval of that portion of the prime sponsor program statement to be submitted in accordance with section 105 relating to programs to be conducted in such local family service area;

(C) an appeal directly to the Secretary by any approved local child development and family service council whenever such council alleges that with respect to its portion of the program statement the State has failed to comply with the provisions of the program statement or the provisions of the Act.

(c) (1) The Secretary shall approve a prime sponsorship plan submitted by a State or other applicant under subsection (a) if he determines that the plan so submitted meets the requirements of this section where applicable, and includes adequate administrative and other provisions for carrying out effectively comprehensive child development and family service programs in the area to be served.

(2) In the event that the prime sponsorship plan of any applicant under paragraph (2), (3), or (4) of subsection (a) of this section includes any common geographical area with that covered by another such applicant, the

Secretary shall designate to serve such area the applicant which he determines has the capability of more effectively carrying out the purposes of this Act with respect to such area and which has submitted a plan which meets the requirements of this section and includes adequate administrative and other provisions for carrying out effectively comprehensive child development and family service programs in such area.

(3) In the event a State has submitted a prime sponsorship plan under subsection (a) of this section to serve a geographical area covered by the plan of an applicant under paragraphs (2), (3), or (4) of subsection (a), the Secretary shall approve the latter plan after carrying out the procedures in subsection (e), if he determines that the plan so submitted meets the applicable requirements of this section and includes adequate administrative and other provisions for carrying out effectively comprehensive child development and family services programs in such area.

(d) The Secretary may approve a prime sponsorship plan submitted under paragraph (5) of subsection (a) by any public or private nonprofit agency, including but not limited to a community action agency, single-purpose Headstart agency, community development corporation, parent cooperative, organization or migrant agricultural workers, organization of Indians, employer organization, labor union, employee or labor-management organization, or public or private educational agency or institution, if he determines that the plan so submitted meets the applicable requirements of this section and includes—

(1) provisions setting forth arrangements for serving children in a neighborhood or other area possessing a commonality of interest in the area of any locality with respect to which there is no prime sponsorship designation in effect or with respect to any portion of an area where the prime sponsor is found not to be satisfactorily implementing child development and family service programs which adequately meet the purposes of this title, or for making available special services, in accordance with criteria established by the Secretary, designed to meet the needs of economically disadvantaged or preschool children or children of working mothers or single parents; or

(2) arrangements for providing comprehensive child development and family service programs on a year-round basis to children of migrant agricultural workers and their families; or

(3) arrangements for carrying out model programs especially designed to be responsive to the needs of economically disadvantaged, minority group, or bi-

lingual preschool children or to demonstrate the feasibility of conducting child development and family services programs on the basis of a neighborhood or other area possessing a commonality of interest in the area of any locality.

(e) The Governor or other chief executive officer shall be given not less than thirty nor more than sixty days to review prime sponsorship plans filed by an applicant other than a State, to offer recommendations to the applicant, and to submit comments to the Secretary.

(f) A prime sponsorship plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons, (2) a reasonable time in which to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(g) (1) If any party is dissatisfied with the Secretary's final action under subsection (f) with respect to the disapproval of its plan submitted under this section or the withdrawal of its prime sponsorship designation, such party may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such party is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(h) When a unit (or combination of units) of general government is maintaining a pattern and practice of exclusion of minorities or of economically disadvantaged children, the Secretary shall give preference in the approval of applications for prime sponsorship to an alternative unit of government or, notwithstanding the provisions of subsection (d) of this Act, to a public or private nonprofit agency or organization in the area representing the interests of minority and economically disadvantaged persons.

(i) In the event that an applicant eligible under subsection (a) has not submitted a program statement under section 105 or the Secretary has not approved a program statement so submitted, or where the Secretary has not designated or has withdrawn designation of prime sponsorship under this section, or where the needs of migrants, preschool-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served, the Secretary may directly fund projects, including those in rural areas without regard to population, that he deems necessary in order to serve the children of the particular area.

CHILD DEVELOPMENT AND FAMILY SERVICE COUNCILS

SEC. 104. (a) Each prime sponsor designated under section 103 shall establish and maintain a Child Development and Family Services Council composed of not less than 10 members as follows—

(1) not less than half the members of such Council shall be parents of children served in programs under

this Act chosen in accordance with the provisions of paragraph (1) of subsection (b) of this section.

(2) the remaining members shall be appointed by the chief executive officer or the governing body, whichever is appropriate, of the prime sponsor to represent the public, but (A) not less than half of such members shall be persons who are broadly representative of the general public, including government agencies, public and private agencies and organizations in such fields as education economic opportunity, health, welfare, employment and training, business or financial organizations or institutions, labor unions, and employers, and (B) the remaining members, the number of which shall be either equal to or one less than the number of members appointed under clause (A), shall be persons who are particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child and family services, except that the Secretary may waive the requirement of this clause (B) to the extent that he determines, in accordance with regulations which he shall prescribe, that such persons are not available to the area to be served; and

(3) in establishing a Child Development and Family Services Council under this section, the prime

sponsor shall give due consideration to the membership of day care coordinating bodies then existing in the area to be served.

(b) In accordance with procedures which the Secretary shall establish pursuant to regulations, each prime sponsor designated under section 103 shall provide, with respect to the Child Development and Family Services Councils established and maintained by such prime sponsor, that—

(1) the parent members described in paragraph (1) of subsection (a) of this section shall be chosen as follows:

(A) in the case of Councils established by prime sponsors which are States, by the parent members of local child development and family service councils established under section 103; and

(B) in the case of Councils established by prime sponsors other than States (and by States with respect to local family service areas) initially by the membership of Headstart policy committees and of other organizations conducting child development, child care and day care programs in the prime sponsorship area and, at the earliest practicable time, in such a manner as to insure equitable representation of the various segments of children served under programs conducted in the prime sponsorship area under this title;

(2) the terms of office and any other policies and procedures of an organizational nature, including nomination and election procedures, are appropriate in accordance with the purposes of this title;

(3) such Council shall have responsibility for approving program statements and the establishment or selection of an administering agency or agencies, and for evaluating child development and family service programs.

PROGRAM STATEMENTS

SEC. 105. (a) Financial assistance under this title may be provided by the Secretary for any fiscal year to a prime sponsor designated under section 103 only pursuant to a program statement which is submitted by such prime sponsor directly to and approved by the Secretary in accordance with the provisions of this title. Any such program statement shall set forth a comprehensive program for providing child development and family services in the prime sponsorship area which—

(1) identifies child development and family service needs and basic goals within the area and describes the purposes for which the financial assistance will be used

and the basic policies and procedures to be followed in carrying out provisions under this title;

(2) meets the needs of children and families in the prime sponsorship area, to the extent that available funds can be reasonably expected to have an effective impact, including infant care and before and after school programs for children in school with priority to children who have not attained six years of age;

(3) (A) provides that funds received under section 112(a) will be used for programs and services focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects by reserving for such projects from such funds in any fiscal year an amount at least equal to the aggregate amount received by public or private agencies and organizations within the prime sponsorship area for programs during the fiscal year ending June 30, 1973, under section 222(a) (1) of the Economic Opportunity Act of 1964, and (B) provides that programs receiving funds under section 112(c) will give priority to providing services for economically disadvantaged children by reserving not less than 65 per centum of the cost of programs receiving such funds for the purpose of serving economically disadvan-

taged children as determined under paragraph (5) of section 4;

(4) gives priority thereafter to providing programs and services to children of single parents and working mothers not covered under paragraph (3);

(5) provides that the prohibitions of section 218 shall be met with respect to each of the programs to be conducted in the prime sponsorship area;

(7) provides, in the case of a prime sponsor located within or adjacent to a metropolitan area, for coordination with other prime sponsors located within such metropolitan area, and arrangements for cooperative funding where appropriate, and particularly for such coordination where appropriate to meet the needs for services to children of parents working or participating in training or otherwise occupied during the day within a prime sponsorship area other than that in which they reside;

(8) provides for coordination of other programs providing child development, child care and family services, and manpower training services, including but not limited to educational, health, employment and other social services with programs conducted under this Act;

(9) provides equitably for the special needs of minority group children, children of migrant agricultural workers and other significant segments of the economically disadvantaged including dissemination of information relating to programs in the functional language of the parents;

(10) provides for such fiscal control and funding accounting procedures as the Secretary may prescribe to assure proper disbursement of and accounting for Federal funds paid to the prime sponsor;

(b) No program statement or modification thereof submitted by a prime sponsor under this section shall be approved by the Secretary unless he determines, in accordance with regulations which the Secretary shall prescribe, that—

(1) each community action agency or single-purpose Headstart agency in the area to be served previously responsible for the administration of programs under this title or under section 222 (a) (1) of the Economic Opportunity Act of 1964 has had an opportunity to submit comments to the prime sponsor and to the Secretary;

(2) the local educational agency for the area to be served and other appropriate educational and training agencies and institutions have had an opportunity to submit comments to the prime sponsor and to the Secretary; and

(3) the Governor or other chief executive officer of the State has had an opportunity to submit comments to the prime sponsor and to the Secretary.

(c) A program statement submitted under this section may be disapproved or a prior approval withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such program statement, including a statement of the reasons, (2) a reasonable time to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(d) In order to contribute to the effective use of child development services developed and operated under this title the Secretary shall require that, wherever feasible, agencies providing child development and child care under the Social Security Act shall purchase services from those facilities funded by the prime sponsor, and in any event programs providing child development and child care under the Social Security Act shall be coordinated with programs conducted by the prime sponsor. In order to encourage such coordination, the Secretary may accept those amounts of non-federal share contributions which exceed matching requirements under this Act as meeting the non-federal share contributions under the Social Security Act.

PROJECT APPLICATIONS

SEC. 106. (a) Financial assistance under this title may be provided to a project applicant for any fiscal year only pursuant to a project application which is submitted by a public or private agency and which provides—

(1) that funds will be provided for carrying out programs under this title only to a qualified public or private agency or organization, including but not limited to a community action agency, single-purpose Headstart agency, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, private organization interested in programs for such children, employer, or business organization, labor union, employee or labor-management organization, or public or private educational agency or institution;

(2) for establishing and maintaining project policy committees composed of not less than ten members as follows—

(A) not less than half of the members of each such committee shall be parents of children served by such project, and

(B) the remaining members of each such committee shall consist of (i) persons who are representative of the community, and (ii) at least one person who is particularly skilled by virtue of training or experience in child development, child health, child welfare, child care or other child services, except that the Secretary may waive the requirement of this clause (i)) where he determines, in accordance with regulations which he shall prescribe, that such person is not available to the area to be served;

(3) for direct participation of such policy committees in the development and preparation of project applications under this title;

(4) that project policy committees shall have responsibility for approving basic goals, policies, actions, and procedures for the project applicant, including policies with respect to planning, overall conduct, budgeting, location of centers and facilities, and direction and evaluation of projects;

(5) that adequate provision will be made for training and other administrative expenses of such policy committees;

(6) that programs assisted will provide for such comprehensive health, nutritional, education, and other services, as are necessary for the full development of each participating child;

(7) that programs will provide for the full par-

ticipation of parents and other family members in the conduct, overall direction and evaluation of programs;

(8) that programs will provide to the extent feasible for the employment of parents and other members of the family as professionals and paraprofessionals and includes to the extent feasible a career development plan for paraprofessional and professional training, education, and advancement on a career ladder;

(9) that adequate provision will be made for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons are fully informed of project activities;

(10) that with respect to programs assisted under this title—

(A) no charge will be made with respect to any child who is a member of any family with an annual income equal to or less than $4,320 with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party (including a public agency); and

(B) such charges as the Secretary may provide will be made with respect to any child of any other family, in accordance with an appropriate fee schedule established by him, designed to permit enrollment or continued participation in the program as family income increases and based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget (as determined in accordance with paragraph (5) of section 4) shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds the highest income level at which no charges would be made with respect to children of such family under subparagraph (A) but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget and, if more than two children from the same family are participating, additional charges may be made not to exceed the sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each such additional child or, the actual cost of services, whichever is less: *Provided,* That charges less than those prescribed by the Secretary pursuant to this paragraph (B) may be made with respect to any programs, where the Secretary, upon application of any prime sponsor, determines that such lower charges are necessary in order to take into account actual living expenses within the prime sponsorship area, to meet the special needs of economically disadvantaged persons within such area, or to ensure consistency with existing fee schedules for similar services under other laws;

(11) that children will in no case be excluded from the programs operated pursuant to this title because of their participation in nonpublic preschool or school programs or because of the intention of their parents to enroll them in nonpublic schools when they attain school age;

(12) that there are assurances satisfactory to the Secretary that the non-Federal share requirements will be met; and

(13) that provision will be made for such fiscal control and fund accounting procedures as the Secretary shall prescribe to assure proper disbursement of and accounting for Federal funds.

(b) A project application may be approved by a prime sponsor upon its determination that such application meets the requirements of this section and that the programs provided for therein will otherwise further the objectives and satisfy the appropriate provisions of the prime sponsor's program statement as approved pursuant to section 105.

(c) A project application submitted directly to the Secretary by a public or non-profit private agency may be approved by the Secretary in special circumstances upon his determination that it meets the requirements of subsection (a) of this section and that direct funding is necessary to ensure the purposes of this Act.

(d) Any project applicant alleging that a prime sponsor disapproved an application for funds under this title on the basis of discrimination because of race, color, creed, or national origin, may apply directly to the Secretary for funds under this title. Each such application shall contain or be accompanied by such information as the Secretary may reasonably require. Upon approval of an application, the Secretary is authorized to make grants to the extent practicable in accordance with the provisions of this title.

ANNUAL FAMILY SERVICE PLANS

SEC. 107. (a) Any State desiring to receive additional financial assistance pursuant to subsection (d) of section 112, shall submit (in addition to a program statement in respect to fiscal years after that ending June 30, 1973), an annual family service plan.

(b) Such plan shall be approved by the Secretary upon a determination that it sets forth adequate agreements between State and local prime sponsors for maximum coordination of programs conducted under this Act within the State and for full utilization of resources within the State, including, but not limited to agreements with respect to—

(1) the determination of general child development and family service goals and needs throughout the State;

(2) comprehensive planning of child development and family service programs to be conducted within the State;

(3) arrangements under which State agencies shall assist in the establishment of Child Development and Family Services Councils and in strengthening the capability of such Councils to participate effectively in programs under this Act where requested by local prime sponsors;

(4) arrangements under which State agencies shall assist in providing health, educational, family planning, education, nutrition, and other components of child development and family service programs and facilities and training related thereto where requested by local prime sponsors in the development and implementation

of program statements submitted by local prime sponsors;

(5) arrangements for conducting programs for the exchange of personnel involved in child development and family service programs within the State;

(6) procedures for assessing State and local licensing codes and teaching standards as they relate to Headstart, child development and family service programs within the State; and

(7) procedures for disseminating model program information and the results of research on programs for children and families.

SPECIAL COOPERATIVE PROGRAMS WITH EDUCATIONAL INSTITUTIONS AND OTHER PROJECT SPONSORS

SEC. 108. (a) The Secretary shall provide assistance made available for the purposes of this section pursuant to paragraph (b) (6) of section 112 of this title to educational agencies and institutions to be used by such agencies and institutions in cooperation with other project applicants pursuant to program statements for the purpose of planning, carrying out and evaluating cooperative programs and activities designed to provide continuity between preschool programs, after school programs and educational and related programs conducted by such agencies and institutions, including those conducted under the Elementary and Secondary

Education Act of 1965 such as joint design of programs, provision for interchange and progression of children between programs, cooperative use of professional, technical and administrative personnel and development of sequential programs to be conducted by several component agencies or organizations.

(b) Nothing in this section shall be construed to limit the opportunity of any agency or institution receiving assistance under this section from otherwise receiving assistance under this title.

ADDITIONAL CONDITIONS FOR PROGRAMS INCLUDING CONSTRUCTION

SEC. 109. (a) Applications for financial assistance for projects including construction may be approved only if the prime sponsor, pursuant to regulations promulgated by the Secretary determines that construction of such facilities is essential to the provision of adequate child development and family services, and that rental, renovation, remodeling, or leasing of adequate facilities is not practicable.

(b) If any facility assisted under this title shall cease to be used for the purposes for which it was constructed, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project) the same ratio as the amount of such

Federal funds bore to the cost of the facility financed with the aid of such funds, unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

(c) All laborers and mechanics employed by contractors or subcontractors on all construction, remodeling, renovation, or alteration projects assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(d) In the case of loans for construction, the Secretary shall prescribe the interest rate and the period within which such loan shall be repaid, but such interest rates shall not be less than 3 per centum per annum and the period within which such loan is to be repaid shall not be more than twenty-five years.

(e) The Federal assistance for construction may be in the form of grants or loans, provided that total Federal funds to be paid to other than public or private nonprofit agencies and organizations will not exceed 50 per centum of the construction cost, and will be in the form of loans. Repayment of loans shall, to the extent required by the Secretary, be returned to the prime sponsor from whose financial assistance the loan was made, or used for additional loans or grants under this title. Not more than 15 per centum of the total financial assistance provided to a prime sponsor under this part shall be used for construction of facilities, with no more than 7½ per centum of such assistance usable for grants for construction.

(f) In the case of a project for the construction of facilities and in the development of plans for such facilities due consideration shall be given to excellence of architecture and design and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

USE OF PUBLIC FACILITIES FOR CHILD DEVELOPMENT AND FAMILY SERVICE PROGRAMS

SEC. 110. (a) The Secretary, after consultation with other appropriate officials of the Federal Government, shall within nine months after enactment of this Act report to the Congress with respect to the extent to which facilities owned or leased by Federal departments, agencies, and independent authorities may be made available to public and private nonprofit agencies and organizations, through appropriate arrangements, for use as facilities for child development and family service programs under this title during times and periods when not utilized fully for their usual purposes, together with his recommendations (including recommendations for changes in legislation) or proposed actions for such use.

(b) The Secretary may require, as a condition to the receipt of assistance under this title, that any prime sponsor under this title agree to conduct a review and provide the Secretary with a report as to the extent to which facilities owned or leased by such prime sponsor, or by other agencies or institutions in the prime sponsorship area, could be made available, through appropriate arrangements, for use as facilities for child development and family service programs under this title during times and periods when not utilized fully for their usual purposes, together with the prime sponsors, proposed actions for such use.

PAYMENTS

SEC. 111. (a) In accordance with this section, the Secretary shall pay from the applicable allocation or apportionment under section 112 the Federal share of the costs of programs, services, and activities, in accordance with plans or statements which have been approved as provided in this title. In making such payment to any prime sponsor, the Secretary shall include in such costs an amount for staff and other administrative expenses for the Child Development and Family Service Council not to exceed an amount which is reasonable when compared with such costs for other prime sponsors.

(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary shall pay an amount not in excess of 90 per centum of the cost of carrying out programs, services, and activities under this title. The Secretary may, in accordance with such regulations as he shall prescribe, approve assistance in excess of such percentage if he determines that such action is required to provide adequately for the child development and related family service needs of economically disadvantaged children.

(2) The Secretary shall pay an amount equal to the full cost of providing child development and family service programs for children of migrant agricultural workers and their families under this title.

(3) The Secretary shall pay to each prime sponsor approved under section 103 an amount equal to the full cost of providing child development and family service programs for children in Indian tribal organizations.

(c) The non-Federal share of the costs of programs assisted under this title may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes) reasonably evaluated, or union or employer contributions. Fees collected for services provided pursuant to section 106 (a) (10) may be used to make up the non-Federal share, and may also be used by the project applicant for the same purposes as payments under this section, except that, in case of projects assisted under a program statement, such fees shall be turned over to the appropriate prime sponsor for distribution in the same manner as the prime sponsor's allocation under section 112 (c).

(d) If, with respect to any fiscal year, a prime sponsor or project applicant provides non-Federal contributions for any program, service, or activity exceeding its requirements, such excess may be applied toward meeting the requirements for such contributions for the subsequent fiscal year under this title.

(e) No State or locality shall reduce its expenditures for activities for children and their families by reason of assistance under this title.

APPORTIONMENT OF FUNDS

SEC. 112. (a) From the amounts available for carrying out programs under this title, $600,000,000 shall first be used for the purpose of providing assistance for programs under this title focused upon pre-school children and services for other family members from low-income families, giving priority to continued financial assistance for Headstart projects.

(b) Of the amounts available for this title (after making the reservation provided for in subsection (a)) the Secretary shall reserve for use under title I, the following:

(1) not less than that proportion of the total amount available as is equivalent to that proportion which the total number of children of migrant agricultural workers bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children of migrant agricultural workers on an equitable basis, and to the extent practicable in proportion to the relative numbers of children served in each such program;

(2) not less than that proportion of the total amount available as is equivalent to that proportion which the total number of children in Indian tribal organizations bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children in Indian tribal organizations on an equitable basis, and to the extent practicable in proportion to the relative numbers of children in each such program;

(3) not less than 10 per centum of the total amount available which shall be made available for the purposes

of section 102(7) of this title (relating to special activities for handicapped children);

(4) not less than 10 per centum of the total amount available which shall be made available under section 103(d)(3) of this title (relating to model programs); and

(6) not to exceed 5 per centum of the total amount available, which shall be made available under section 108 of this title (relating to special cooperative programs).

(c) The Secretary shall allocate the remainder of the amount available for this title (after making the reservations provided for in subsections (a) and (b)) among the States so as to provide the following geographical distribution:

(A) 50 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 50 per centum as the number of economically disadvantaged children through age 14 in the State, excluding those children in the State who are eligible for services funded under paragraphs (1) and (2) of subsection (b), bears to the number of economically disadvantaged children in all the States, excluding those children in all the States who are eligible for services funded under paragraphs (1) and (2) of subsection (b) of this section;

(B) 25 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 25 per centum as the number of children through age 5 in the State, excluding those children in the State who are eligible for services funded under paragraphs (1) and (2) of subsection (b) of this section, bears to the number of children through age 5 in all the States, excluding those children in all the States who are eligible for services funded under paragraphs (1) and (2) of subsection (b) of this section;

(C) 25 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 25 per centum as the number of children of working mothers and single parents in the State, excluding those children in the State who are eligible for services funded under paragraphs (1) and (2) of subsection (b) of this section, bears to the total number of children of working mothers and single parents in all the States, excluding those children in all the States who are eligible for services funded under paragraphs (1) and (2) of subsection (b) of this section.

(d) Not to exceed 10 per centum of the total funds allotted for use within a State pursuant to subsection (b) (2) may be made available to carry out the provisions of section 107 of this title.

(e) The Secretary shall apportion the remainder of the amount allotted for use within each State (after making allocations under subsection (d) among local family service areas and areas to be served by prime sponsors in each such State so as to provide the following geographical distribution:

(1) 50 per centum thereof so that the amount apportioned to each such area bears the same ratio to such 50 per centum as the number of economically disadvantaged children through age 14 in the area served by prime sponsors bears to the number of economically disadvantaged children in the State;

(2) 25 per centum thereof so that the amount apportioned to each such area bears the same ratio to such 25 per centum as the number of children through age 5 in the area to be served by the prime sponsor bears to the number of children through age 5 in the State;

(3) 25 per centum thereof so that the amount apportioned to each such area bears the same ratio to such 25 per centum as the number of children of working mothers and single parents in the area bears to the number of children of working mothers and single parents in the State.

(f) The portion of any allotment or apportionment under subsection (c) or (e) for a fiscal year which the

Secretary determines will not be required, for the period for which such allotment or apportionment is available, for carrying out programs under this title shall be available for reallotment or reapportionment from time to time, on such dates during such period as the Secretary shall fix, to other States in the case of allotments under subsection (c), or to other local family service areas and areas to be served by alternate prime sponsors in the case of apportionments under subsection (e), in proportion to the original allotments to such States under subsection (c), or the original apportionments to such local family service areas and areas to be served by alternate prime sponsors under subsection (e), for such year, but with such proportionate amount for any of such States or such areas being reduced to the extent it exceeds the needs of such State or such area for carrying out activities approved under this Act, and the total of such reductions shall be similarly reallotted among the States or reapportioned among such areas whose proportionate amounts are not so reduced. Any amount reallotted to a State or reapportioned to an area under this subsection during a year shall be deemed part of its allotment or apportionment under subsection (c) or subsection (e) for such year.

(g) The Secretary is directed to adjust any allotment or apportionment under subsection (c) or (e) for any fiscal year in order to insure priority to the continuation of Headstart programs pursuant to paragraph (a) of this section and paragraph (a) (3) of section 105.

(h) In determining the numbers of children for purposes of reserving, allotting, and apportioning funds this section, the Secretary shall use the most recent satisfactory data available to him.

(i) As soon as practicable after funds are appropriated to carry out this title for any fiscal year, the Secretary shall publish in the Federal Register the allotments and apportionments required by this section.

TITLE II—SUPPORTIVE SERVICES AND SPECIAL ACTIVITIES

SPECIAL RESPONSIBILITIES OF THE SECRETARY

SEC. 211. The Secretary is authorized to—

(a) make payments to provide financial assistance to enable individuals employed or preparing for employment in programs assisted under this Act, including volunteers, to participate in programs of preservice or inservice training for professional and nonprofessional personnel, to be conducted by any competent public or private agency or organization carrying out such program or any institution of higher education, including a community college, or by any combination thereof. The Secretary may reserve for the purposes of this subsection not more than 50 percent of the amounts available under this title for any fiscal year;

(b) make technical assistance available to prime sponsors and to project applicants participating or seeking to participate in programs assisted under this Act on a continuing basis to assist them in planning, developing, and carrying out programs under this Act;

(c) make an evaluation of Federal involvement in activities and services for children and families by contract with any public or private agency, organization, or individual. Prime sponsors and project applicants assisted under this Act and departments and agencies of the Federal Government shall, upon request by the Secretary, make available, consistent with other provisions of law, such information as the Secretary determines is necessary for purposes of making the evaluation required under this subsection. The Secretary shall reserve for the purposes of this subsection not less than 1 per centum. and may reserve for such purposes not more than 2 per centum, of the amounts available under this title for any fiscal year;

(d) conduct research efforts directly or through grants, contracts, or other arrangements with prime sponsors or public or private agencies (including other governmental agencies, organizations, institutions, and individuals) relating to the purpose of the Act. The Secretary shall establish procedures to assure that the result of research are reflected in the conduct of programs under this Act;

(e) conduct special demonstration experimental and model programs, including programs for children of employees of the Federal Government, which demonstration, experimental and model programs shall be subject to the fullest extent practicable to each of the requirements with respect to project applications under section 106;

(f) establish procedures to assure that adequate nutrition services will be provided in programs conducted under this Act. Such services shall make use of the special food service program for children as defined under section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, to the fullest extent appropriate and consistent with the provisions of such Acts; and

(g) report to Congress not later than September 1, 1975, summarizing his activities and accomplishments under this section during the preceding fiscal year and the grants, contracts, or other arrangements entered into and making such recommendations (including recommendations for legislation) as he may deem appropriate.

FEDERAL STANDARDS FOR CHILD DEVELOPMENT AND FAMILY SERVICES

SEC. 212. (a) Within six months after the enactment of this Act, the Secretary shall, after consultation with other Federal agencies and with the Committee established pursuant to subsection (c) of this section, promulgate a common set of program standards which shall be applicable to all programs providing child development and family services with Federal assistance under this Act, to be known as the Federal Standards for Child Development and Family Servcies. If the Secretary disapproves the Committee's recommendations, he shall state the reasons therefor.

(b) Such standards shall be no less comprehensive than the Federal Interagency Day Care Requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968.

(c) The Secretary shall, within sixty days after enactnent of this Act, appoint a Special Committee on Federal Standards for Child Development and Family Services, which shall include parents of children enrolled in Headstart, child care and family services programs, representatives of public and private agencies and organizations administering such programs, specialists, and others interested in services for children. Not less than one-half of the membership of the

Committee shall consist of parents of children participating in programs conducted under this title and section 222 (a) (1) of the Economic Opportunity Act of 1964 and title IV of the Social Security Act. Such Committee shall participate in the development of Federal Standards for Child Development and Family Services and modifications thereof as provided in subsection (a).

DEVELOPMENT OF UNIFORM MINIMUM CODE FOR FACILITIES

SEC. 213. (a) The Secretary shall, within sixty days after enactment of this Act, appoint a special committee to develop a uniform minimum code for facilities, to be used in licensing child care facilities receiving assistance under this Act or in which programs receiving assistance under this Act are operated. Such standards shall deal principally with those matters essential to the health, safety, and physical comfort of the children, their suitability for projected uses. and the relationship of such matters to the Federal Standards for Child Development and Family Services under section 212.

(b) The special committee appointed under this section shall include parents of children participating in Headstart, child care and other programs and representatives of State and local licensing agencies, public health officials, fire prevention officials, the construction industry and unions, public and private agencies or organizations administering such programs, and national agencies or organizations interested in services to children and families. Not less than one-half of the membership of the committee shall consist of parents of children enrolled in programs conducted under title I and section 222(a)(1) of the Economic Opportunity Act of 1964 and title IV of the Social Security Act.

(c) Within one year after its appointment, the special committee shall complete a proposed uniform minimum code for facilities and shall hold public hearings on the proposed code prior to submitting its final recommendation to the Secretary for his approval.

(d) After considering the recommendations submitted by the special committee in accordance with subsection (c), the Secretary shall promulgate standards which shall be applicable to all facilities receiving Federal financial assistance under this Act or in which programs receiving Federal financial assistance under this Act are operated. If the Secretary disapproves the committee's recommendations, he shall state the reasons therefor. The Secretary shall also distribute such standards and urge their adoption by States and local governments. The Secretary may from time to time modify the uniform code for facilities in accordance with procedures set forth in this section.

MORTGAGE INSURANCE FOR CHILD CARE FACILITIES

SEC. 214. (a) It is the purpose of this section to assist and encourage the provision of facilities for child development and related family services.

(b) For the purpose of this section—

(1) The term "child care facility" means a facility of a public or private profit or nonprofit agency or organization, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the provision of child development and related family service programs.

(2) The terms "mortgage", mortgagor", mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

(d) In order to carry out the purpose of this section, the Secretary of Health, Education, and Welfare is authorized to insure any mortgage which covers a new child care facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Secretary of Health, Education, and Welfare, who demonstrate ability successfully to operate one or more child development and related family service programs. The Secretary of Health, Education, and Welfare may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary of Health, Education, and Welfare may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Child Care Facility Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary of Health, Education, and Welfare under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per

centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the child development facility, when the proposed improvements are completed and the equipment is installed.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Secretary of Health, Education, and Welfare shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary of Health, Education, and Welfare finds necessary to meet the mortgage market.

(4) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has determined that the child care facility to be covered by the mortgage will be in compliance with the Uniform Minimum Code for Facilities approved by the Secretary pursuant to section 213.

(5) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has also received from the prime sponsor designated under title I of this Act a certificate that the facility is consistent

with and will not hinder the execution of the prime sponsor's plan.

(6) In the plans for such child care facility, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

(e) The Secretary of Health, Education, and Welfare shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Child Care Facility Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary of Health, Education, and Welfare is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Secretary of Health, Education, and Welfare may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

(g) (1) The Secretary of Health, Education, and Welfare shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Child Care Facility Insurance Fund, and all references in such provisions to "Secretary" shall be deemed to refer to the Secretary of Health, Education, and Welfare.

(h) (1) There is hereby created a Child Care Facility Insurance Fund which shall be used by the Secretary of Health, Education, and Welfare as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Child Development Facility Insurance Fund.

(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Child Care Facility Insurance Fund.

(3) Moneys in the Child Care Facility Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary of Health, Education, and Welfare may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Child Care Facility Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims,

debts, contracts, property, and security assigned to the Secretary of Health, Education, and Welfare in connection therewith, and all earnings on the assets of the fund, shall be credited to the Child Care Facility Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide initial capital for the Child Care Facility Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

OFFICE OF CHILD DEVELOPMENT

SEC. 215. The Secretary shall take all necessary action to coordinate child development and family service programs under his jurisdiction. To this end, he shall establish within the Department of Health, Education, and Welfare an Office of Child Development, administered by a Director, which office shall be the principal agency of the Department for the administration of this title including research and evaluation and for the coordination of programs including all child development and family service research, training, and development efforts conducted by the Department of Health, Education, and Welfare, and, to the extent feasible by other agencies, organizations, or individuals.

SPECIAL COORDINATING COUNCIL

SEC. 216. A child Development Research Council, consisting of a representative of the Office of Child Development established under section 216 of this title (who shall serve as chairman), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Office of Economic Opportunity, the Department of Labor, and other appropriate agencies, shall meet on a regular basis, as they may deem necessary, in order to assure coordination of child development and related family service activities under their respective jurisdictions so as to assure—

(1) maximum utilization of available resources through the prevention of duplication of activities;

(2) a division of labor, insofar as is compatible with the purposes of each of the agencies or authorities specified in this paragraph, to assure maximum progress toward the achievement of the purposes of this Act;

(3) the establishment and maintenance of an information bank to insure that each office or agency of the Federal Government conducting child develop-

ment and family service, child care and related family service activities is aware of the administrative actions of other offices or agencies with respect to the provision of financial assistance to eligible applicants; and

(4) recommendation of priorities for federally funded research and development activities related to the purposes of this Act.

SPECIAL PROHIBITIONS

SEC. 217. (a) Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privary otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law.

(b) The Secretary is directed to establish appropriate procedures to ensure that no child shall be the subject of any research or experimentation under this Act unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

(c) A child participating in a program assisted under this Act shall not be required to undergo medical or psychological examination, immunization (except to the extent necessary to protect the public from epidemics of contagious diseases), or treatment if his parent or guardian objects thereto in writing on religious grounds.

(d) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(e) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if, on the ground of sex, that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program or activity receving assistance under this Act.

SPECIAL PROVISIONS

SEC. 218. (a) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayments or underpayments. Subject to the provisions of section 103, the Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

(b) The Secretary shall not provide financial assistance for any program service, or activity under this Act unless he determines that persons employed thereunder, other than persons who serve without compensation, shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 (29 U.S.C. 206), if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

(c) The Secretary shall not provide financial assistance for any program under this Act which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be, in any way or to any extent, engaged in the conduct of political activities in contravention of chapter 15 of title 5, United States Code.

(d) The Secretary shall not provide financial assistance for any program under this Act unless he determines that no funds will be used for and no person will be employed under the program on the construction, operation, or maintenance of so much of any facility as is for use for sectarian instruction or as a place for religious worship.

(e) Prime sponsorship plans, program statements, annual family service plans, project applications, and all written material pertaining thereto shall be made readily available without charge to the public, as appropriate, by the State, the prime sponsor, the applicant, and by the Secretary.

WITHHOLDING OF GRANTS

SEC. 219. Whenever the Secretary, after reasonable notice and opportunity for a hearing for any State prime sponsor, or project applicants, finds—

(1) that there has been failure to comply substan-

tially with provisions of the State annual family service plan relating to coordination (in accordance with section 107; or

(2) that there has been a failure to comply substantially with any requirement set forth in the program statement of any such prime sponsor approved under section 105; or

(3) that there has been a failure to comply substantially with any requirement set forth in the application of any such project applicant approved pursuant to section 106; or

(4) that in the operation of any plan, program, or project carried out by any such State, prime sponsor, or project applicant under this Act there is a failure to comply substantially with any applicable provision of this Act or regulation promulgated thereunder;

the Secretary shall notify such state, prime sponsor or project applicant of his findings and that no further payments may be made to such State, sponsor or applicant under this Act (or in the Secretary's discretion that any such prime sponsor shall not make further payments under this Act to specified project applicants affected by the failure) until he is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Secretary may authorize the continuation of payments with respect to any project assisted under this Act which is being carried out pursuant to such plan or application and which is not involved in any noncompliance.

FEDERAL CONTROL NOT AUTHORIZED

SEC. 220. No department, agency, officer, or employee of the United States shall, under authority of this Act, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

REPEAL OR AMENDMENT OF EXISTING AUTHORITY AND COORDINATION

SEC. 221. (a) In order to achieve, to the greatest degree feasible, the consolidation and coordination of programs providing services for children, while assuring continuity of existing programs during transition to the programs authorized under this Act, the Economic Opportunity Act of 1964 is amended, effective July 1, 1975, as follows:

(1) Section 222 (a) (1) of such Act is repealed.

(2) Section 162 (b) of such Act is amended by striking out "day care for children" and inserting in lieu thereof "assistance in securing child development and family services but not operation of such programs for children".

(3) Section 123 (a) (6) of such Act is amended by

striking out "day care for children" and inserting in lieu thereof "assistance in securing child development and family services", and adding after the word "employment" the phrase "but not including the direct operation of such programs for children".

(4) Section 312 (b) (1) of such Act is amended by striking out "day care for children".

(b) The Secretary of Health, Education, and Welfare shall promulgate regulations to assure that other federally funded child development and family services, child care, and related family service programs, including title I of the Elementary and Secondary Education Act of 1965 and section 222 (a) (2) of the Economic Opportunity Act of 1964 and the Social Security Act, will be coordinated with the programs designed under this Act. The Secretary shall insure that joint technical assistance efforts will result in the development of coordinated efforts between the Office of Education and the Office of Child Development.

(c) (1) Section 203 (j) (1) of the Federal Property and Administrative Services Act of 1949 is amended by striking out "or civil defense" and inserting in lieu thereof "civil defense, or the operation of child care facilities".

(2) Section 203 (j) (3) of such Act is amended—

(A) by striking out, in the first sentence, "or public health" and inserting in lieu thereof "public health, or the operation of child care facilities",

(B) by inserting after "handicapped," in clause (A) and clause (B) of the first sentence the following: "child care facilities", and

(C) by inserting after "public health purposes" in the second sentence the following: ", or for the operation of child care facilities,".

(3) Section 203 (j) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) The term 'child care facility' means any such facility as defined in section 214 (b) of the Comprehensive Headstart, Child Development and Family Services Act."

nea
NATIONAL EDUCATION ASSOCIATION • 1201 16th St., N.W., Washington, D.C. 20036 • (202) 833-4000
DONALD E. MORRISON, President
SAM M. LAMBERT, Executive Secretary

March 30, 1972

The Honorable Gaylord Nelson
Chairman, Subcommittee on Employment,
Manpower and Poverty
Committee on Labor and Public Welfare
Suite 359
Old Senate Office Building
Washington, D. C. 20510

Dear Senator Nelson:

We have reviewed S 3193, the "Child Care Centers and Services Act", and S 3228, the "Comprehensive Headstart Act", in light of the Statement of Principles (attached) which NEA signed on February 8.

While there are many similarities between the bills, we believe S 3193 more nearly conforms to the Statement of Principles.

Specifically, we prefer the 25,000 population minimum for prime sponsors in S 3193 to the 50,000 figure in S 3228. We believe that S 3193 safeguards maximum parental involvement, especially of low-income parents. We believe S 3193 zeroes in on the child care centers more specifically than does the broader provision in S 3228. In light of reduced authorization in both bills, we believe the language of S 3193 is preferable.

We are opposed to authorizing participation of profit making agencies in any child care program. While neither bill is satisfactory in this regard, we believe S 3193 is the least objectionable since Sec. 517 at least provides that special consideration be given to public and non-profit private agencies.

One feature of S 3228 which is commendable is the provision to provide 5% of program funds to educational agencies for cooperation with project applicants in order to provide continuity between child development projects and educational programs, including cooperative use of professional, technical, and administrative personnel. We hope the bill which emerges from the Committee will contain this provision.

We commend the sponsors of S 3193 and of S 3228 for their sincere interest in developing child care and development legislation which may be enacted this session of the Congress.

Sincerely,

Stanley J. McFarland

Stanley J. McFarland
Assistant Executive Secretary
for Government Relations

SJM/ac
Attachment

STATEMENT OF PRINCIPLES

In rejecting the Comprehensive Child Development Act which Congress passed last year, the President rejected American children and their families. What is more, he established a double standard for poor children, whom he would condemn to custodial day care while he forces their parents to work under the guise of "welfare reform."

Nothing is more critical to the future of this country than that every child have the opportunity to fully develop his physical, intellectual, and social potential as a human being. This nation must be prepared to commit its resources to help families realize this potential in their children, when they seek such support outside the home.

We reject the President's contention in his veto message that public support for child development programs is not necessary, or that it would in some way destroy the family. On the contrary, as the President's own White House Conference on Children emphasized, such programs are urgently needed and, when properly developed, they will strengthen families.

The undersigned organizations are committed to certain principles which were embodied in the legislation which was passed by bipartisan majorities of both houses of Congress last year. We reaffirm those principles as follows:

1.) that programs must be of high quality, comprehensive, and developmental, oriented to the needs of children and available to all children;

2.) that parents must be directly involved in policy decisions affecting their own children;

3.) that programs must be locally controlled and flexible enough to meet individual community needs;

4.) that programs must be designed to include children with a variety of socioeconomic backgrounds;

5.) that adequate protections must be provided to assure that the needs of minority group and economically disadvantaged children are met; and

6.) that this nation must make a substantial commitment of new public funds to begin to meet the compelling and immediate need for these services.

February 8, 1972

Amalgamated Clothing Workers
AFL-CIO
Americans for Democratic Action
Americans for Indian Opportunity Action Council
Black Child Development Institute
Center for Community Change
Child Welfare League of America
Children's Foundation
Common Cause
Friends Committee on National Legislation
Health and Welfare Council of the National Capital Area
International Ladies Garment Workers Union
Interstate Research Associates
Leadership Conference on Civil Rights
League of Women Voters
National Board of the Young Women's Christian Association of the U.S.A.
National Council of Churches
National Council of Jewish Women
National Council of Negro Women
National Council on Hunger and Malnutrition
National Education Association
National Urban Coalition
National Urban League
National Welfare Rights Organization
United Auto Workers
United Steelworkers of America
Thelma C. Adair, Coordination of Education Strategy, United Presbyterian Board of National Missions
Mary Jane Patterson, United Presbyterian Church of the U.S.A., Washington Office
Women's International League for Peace and Freedom
Washington Research Project Action Council

February 8, 1972

WASHINGTON RESEARCH PROJECT ACTION COUNCIL
1823 JEFFERSON PLACE, N. W.
WASHINGTON, D. C. 20036
(202) 659-4889

March 30, 1972

Senator Gaylord Nelson, Chairman
Subcommittee on Employment, Manpower, and Poverty
and
Senator Walter F. Mondale, Chairman
Subcommittee on Children and Youth
Senate Committee on Labor and Public Welfare
Senate Office Building Annex
Washington, D.C. 20510

Dear Chairman Nelson and Mondale:

We wish to reiterate our strong and continuing support for a comprehensive child development bill which will provide quality, developmental community-based and parent-controlled child care programs. As we indicated in our testimony before your Subcommittees on May 25, 1971, such legislation is urgently needed by children and families from every economic sector and geographic section of this country. It is particularly needed by economically disadvantaged families who otherwise may be forced to place their children in damaging custodial care in the name of "welfare reform," and by low and middle-income working families who cannot afford the costs of developmental care and for whom adequate facilities simply are not available.

Experience with Headstart has demonstrated the educational, health, and social benefits of quality early childhood programs, not just for children but for their families and communities as well. That experience must now be expanded in a child development program with the firm commitment of resources this national need requires.

The President's rejection of the comprehensive child development bill, which Congress passed last year, was a heartless sacrifice of millions of American children and families for the sake of politics. Contrary to the allegations in the President's veto message, the need for such a program has been clearly and repeatedly demonstrated, and the effectiveness of early childhood programs has been proven. They provide critically needed supports for family life; and the economic resources are there if we are willing to assign the proper national priority to this essential program.

Support for a quality comprehensive child development program has been and continues to be broadly based -- in the civil rights community, among women's organizations, among educators and early childhood specialists, church groups, community and parent organizations, labor unions, minority and poverty groups, mayors, and within the Congress. Opposition has been narrowly focused in right-wing organizations and in the White House.

We commend your leadership in the effort last year which led to bipartisan passage of the child development bill. We urge you to resist efforts to "accommodate" such new legislation to the unfounded charges raised by the President's veto message, but to continue to insist instead upon a comprehensive child development bill which assures the highest standards of services, parents in decision-making roles, community-based and locally controlled programs, and a substantial commitment of new public funds. Such legislation is the best investment this Congress and this nation can make in the lives of our children and the future of our society.

We shall appreciate your consideration of our views on this important subject. We request that this communication be included as part of the child development hearing record.

Sincerely,

Marian Wright Edelman

Marian Wright Edelman

AMALGAMATED CLOTHING WORKERS
OF AMERICA—AFL-CIO

Washington Office: 815 SIXTEENTH STREET, N.W. • ROOM 202 • WASHINGTON, D.C. 20006 • TELEPHONE: 202-628-8432

JACOB S. POTOFSKY
GENERAL PRESIDENT

FRANK ROSENBLUM
GENERAL SECRETARY-TREASURER

JANE O'GRADY
LEGISLATIVE REPRESENTATIVE

April 4, 1972

Senator Gaylord Nelson, Chairman
Subcommittee on Employment, Manpower, and Poverty
and
Senator Walter F. Mondale, Chairman
Subcommittee on Children and Youth
Committee on Labor and Public Welfare
U. S. Senate
506 Senate Office Building Annex
Washington, D. C. 20510

Dear Chairman Nelson and Mondale:

I would like to take this opportunity to express to you and your respective Subcommittees the continuing support of the Amalgamated Clothing Workers of America for comprehensive child development legislation in this session of Congress.

As you know from our testimony before your Subcommittees last year, the Amalgamated Clothing Workers has been providing day care services for the children of our members in several areas of the country. We know from that experience that comprehensive, quality care, supported by parent and community participation can make a difference in the lives of children of working parents. We also know that our efforts cannot begin to meet the pressing national need. We are grateful to you for your leadership in Congress in sponsoring a broadly-conceived Federal program of day care for all the Nation's children.

There can be no doubt that last year's veto of the child development bill was a keen disappointment to the hundreds of thousands of working women in this country who recognize a need for such services for their children even if the President does not. We urgently hope that you and your fellow Senators will pass another child development bill in this session of Congress embracing the concepts of last year's bi-partisan legislation. The Amalgamated Clothing Workers of America will support you in that effort.

Sincerely yours,

Jane O'Grady

Jane O'Grady
Legislative Representative

Vice Presidents:
OMA BARTON
SOL BRANDZEL
DAVID CHANEY
ABRAHAM CHATMAN
ANTHONY CORTIGENE
CHARLES B. ENGLISH
MURRAY H. FINLEY
CHARLES J. GARNAHAN
SANDER GENIS
WILLIAM C. HALL
LOUIS HOLLANDER
VINCENT LACAPRIA
HARRY LAUTMAN
LEONARD LEVY
LEONARD LEWIS
MANUEL MENENDEZ
SAM NOCELLA
JOSEPH SALERNO
HOWARD D. SAMUEL
JACOB SHEINKMAN
LOUIS SIMON
PETER J. SWOBODA
VAL WERTHEIMER

National office: 15 UNION SQUARE, NEW YORK, N.Y. 10003 • 212-255-7800

The League of Women Voters of the United States

1730 M STREET, N.W., WASHINGTON, D.C. 20036 TEL. (202) 296-1770

RECEIVED

APR 5 1972

OFFICE OF
SENATOR GAYLORD NELSON

PRESIDENT
MRS. BRUCE B. BENSON

OFFICERS
Vice Presidents
Mrs. David G. Bradley
Durham, North Carolina
Mrs. H. E. Murphree, Jr
Dickinson, Texas
Mrs. John A. Campbell
Los Angeles, California
Mrs. William M. Christopherson
Louisville, Kentucky

Secretary
Mrs. Clarke M. Thomas
Pittsburgh, Pennsylvania

Treasurer
Mrs. Sidney E. Sweet, Jr
New Canaan, Connecticut

DIRECTORS
Mrs. John O. Ahern
San Francisco, California
Mrs. Sherrod L. Bumgardner
Columbia, South Carolina
Mrs. Donald E. Clusen
Green Bay, Wisconsin
Mrs. Nicholas Duff
Wayzata, Minnesota
Mrs. Kenneth W. Greenawalt
Hartsdale, New York
Mrs. Erwin C. Hannum
Oxon Hill, Maryland
Mrs. Lloyd M. Joshel
Denver, Colorado
Mrs. S. Peter Karlow
Bethesda, Maryland
Mrs. Fleming Law
Atlanta, Georgia
Mrs. Bert Rabinowitz
Wellesley Hills, Massachusetts
Mrs. Edward A. Tyler
Indianapolis, Indiana
Mrs. Denison R. Waterman
Muscatine, Iowa
Mrs. Frank Williams
Indianapolis, Indiana

Executive Director
Mrs. Teresa Rakowska-Harmstone

April 4, 1972

The Honorable Gaylord Nelson
Chairman
Senate Subcommittee on Employment,
  Manpower and Poverty
Room 359 - Old Senate Office Building
Washington, D.C. 20510

Dear Senator Nelson:

The League of Women Voters of the United States is pleased that the Senate Subcommittees on Employment, Manpower and Poverty and Children and Youth held joint hearings on the major comprehensive child care bills pending: S 3193 and S 3228, and on S 3010, introduced as an amendment to the Economic Opportunity Amendments.

The League does not believe that a significantly expanded Headstart program will meet the nation's needs. Even if adopted, there would still be a need for a comprehensive child care program. We appreciate the fact that you are pushing to create just such meaningful and comprehensive child care programs to serve a broad constituency.

Last year we filed a statement in support of S 2512, the act vetoed by President Nixon. I attach a copy because we still stand behind the principles endorsed at that time. We believe the need for greatly expanded child care facilities and developmental child care has been well documented from many sources. The achievement tests and learning rates in inner city and suburban schools, for example, should be all the evidence the nation needs that children who start out at a great disadvantage wind up being the ones deprived, in the end, of equal opportunity for full education and for full employment potential.

As you have doubtless noticed, the League endorsed the "Statement of Principles" and the eleven "Legislative Recommendations" filed by the Child Development Coalition, and submitted to both Subcommittees. Our primary concerns are that the legislation make available a very comprehensive range of child development and child care services which would at the same time require:

- complete protection to assure that participation would be voluntary;
- mandatory parental participation in determining the quantity and quality of child care services in their communities;
- availability of services to all children, free of charge to those unable to pay and on a scaled ability-to-pay basis;

- assurance of local prime sponsorship, so that small as well as large communities could be eligible for federal assistance under the program;
- a substantial commitment of federal funds.

The League recognizes the necessity of educating major presidential candidates, Senators and Congressmen, to the needs for comprehensive child care legislation and of dispelling the fears -- however irrational they may be -- about "Sovietizing of children's brains." But every year of delay in getting good pre-school programs underway on a national scale is a year lost for thousands of children. The League, therefore, urges that legislation be enacted this year.

Sincerely,

Lucy Wilson Benson

Mrs. Bruce B. Benson
President

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES

June 2, 1971

STATEMENT TO THE SENATE LABOR AND PUBLIC WELFARE
SUBCOMMITTEE ON CHILDREN AND YOUTH
IN SUPPORT OF
S. 1512
THE COMPREHENSIVE CHILD DEVELOPMENT ACT OF 1971

The League of Women Voters of the U.S. supports S. 1512 which provides a comprehensive approach to day care by initiating federal support for child development programs. We have supported Head Start since its inception, primarily out of concern that disadvantaged children should have early learning experiences to prepare them to take advantage of educational opportunities in the regular school system. In addition, the League has recognized the need for public support of day care facilities and programs to allow low-income parents to take advantage of training, education and work opportunities. It is clear that the early years are crucial to the child's total life development -- in fact 50% of his learning takes place during his first six years of life. Thus, we believe that day care must be more than elementary custodial care for children of working parents and more than "Head Start" efforts to compensate when it may be too late. It must be comprehensive attention to the child's growth needs and potential at the earliest possible stage.

We are particularly pleased that S. 1512 gives priority to children from low-income families by providing that 65% of the federal share will be allocated for such children, and that children below the Bureau of Labor Statistics (BLS) lower living standard will be eligible to receive free services. We see an additional value in that S. 1512 provides for the inclusion of children from families above the poverty level with priority given to those from single- or working-parent homes. These stipulations accomplish two essentials: they insure that those with the greatest need are served first, and they create the socioeconomic diversity so crucial to quality learning situations. We believe this is the soundest basis on which to build toward the goal of day care and child development services for all children.

The prime sponsor delivery mechanism by local units of government is sensible and will undoubtedly prove to be very successful. The proposal to establish area-wide Child Development Councils to receive input from Local Policy Councils and to act as conduits for funds is a viable concept. Allowing cities of any size to act as prime sponsors assures local control and thus local flexibility in determining the type of day care needed. The full involvement of parents and community on Local Policy Councils as provided in S. 1512 is crucial to program effectiveness. We think the experience of Community Action under OEO has proved the validity of involving people in programs that directly affect them and their children. By emphasizing the role of parents, comprehensive day care becomes a family program -- one in which parents control and are accountable for their children's lives. The provision for hiring low-income persons and for training them in career opportunities is consistent with a comprehensive approach to meeting needs of low-income families.

We believe the level of authorization -- $2 billion the first year, $7 billion the second, and $10 billion the third -- is the absolute minimum. All the cost figures that we have seen indicate that providing comprehensive day care for preschoolers and after-school programs for latch-key children is expensive. The $2 billion the first year should make a start toward the goal of adequate services to meet the health, social and educational needs of this nation's children.

It is because S. 1512 would provide real progress toward national comprehensive child care programs that we file this statement of support for the official hearing record.

ada
1947 1972
americans for democratic action
1424 16th street, nw washington, d.c. 20036 (202) 265-5771

April 5, 1972

The Honorable Gaylord Nelson
Chairman, Subcommittee on Employment,
Manpower and Poverty
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

With his veto of a landmark child development program, President Nixon has broken his own promises to the children of our nation. It is clear from Mr. Nixon's veto message that the only child development program this Administration wants is in H.R. 1 which would set up a system of custodial day care centers to house children of mothers who are forced to register for and accept employment as a condition for receiving welfare assistance.

We must instead provide--for all children--development programs and high quality, integrated education from preschool through post-secondary schools. Americans for Democratic Action therefore urges Congress to enact a program, modeled after last year's vetoed bill, which would include an emphasis on parent participation and control, delivery of health and nutrition services, construction of facilities, and training of personnel. Such a program should be operated on at least a 40-hour week basis, at a cost of no less than $3,000 per child. It should be free for all children of the poor. Families with higher incomes should be charged according to their ability to pay.

We commend you for your inspiring work on behalf of this country's children and hope that progressive legislation in this area will finally become law.

Very truly yours,

Lynn Pearle

Lynn Pearle
Legislative Representative

LP:mm

NATIONAL OFFICERS: NATIONAL CHAIRMAN ALLARD K. LOWENSTEIN TREASURER EUGENE M. LANG ASSISTANT TREASURER MARVIN RICH EXECUTIVE COMMITTEE CHAIRMAN DOLORES MITCHELL SECRETARY BARNEY FRANK VICE CHAIRMEN MEYER BERGER RAMSEY CLARK DAVID COHEN JOHN CONYERS JR. DAVID DUBINSKY JOSEPH D. DUFFEY ROBERT ECKHARDT MARIAN WRIGHT EDELMAN DON EDWARDS WALTER FAUNTROY DONALD FRASER DOUGLAS FRASER JOHN KENNETH GALBRAITH MAYNARD H. JACKSON JAMES I. LOEB ABNER MIKVA HANS J. MORGENTHAU WAYNE MORSE ROBERT R. NATHAN ALBERT PENA JR. JOSEPH L. RAUH JR. MARVIN ROSENBERG ARTHUR SCHLESINGER JR. NANCY SWADESH JERRY WURF ANDREW YOUNG
NATIONAL DIRECTOR LEON SHULL

National Council of Negro Women, Inc.

NATIONAL HEADQUARTERS
1346 Connecticut Avenue, N.W.
Washington, D. C. 20036
Telephone: 202/223-2363

STATEMENT
of
DOROTHY I. HEIGHT
NATIONAL PRESIDENT
NATIONAL COUNCIL OF NEGRO WOMEN, INC.
for the
SENATE SUBCOMMITTEE ON CHILDREN AND YOUTH
and the
SENATE SUBCOMMITTEE ON EMPLOYMENT, MANPOWER, AND POVERTY

March 27, 1972

The National Council of Negro Women, Inc., was founded in 1935 by the distinguished educator and Presidential adviser, Mary McLeod Bethune. NCNW is an organization of organizations composed of 25 national affiliate bodies and individual members in 145 local sections in 40 states. In total, we have an outreach to some four million women. We have throughout our history been concerned with all that affects women and girls. This specifically means a commitment to children and to their well being.

Our experience as black Americans, as women, and often as mothers gives a particular urgency to our awareness of the critical need for quality child development programs in communities all across the country. For many of us, the lack of good programs for our children's care, (thereby making work and training impossible), has held us captive in the bonds of racism and poverty.

FOUNDER: MARY McLEOD BETHUNE **PRESIDENT:** DOROTHY I. HEIGHT **AFFILIATED WITH:** NATIONAL COUNCIL OF WOMEN OF THE UNITED STATES
INTERNATIONAL COUNCIL OF WOMEN / NATIONAL ASSEMBLY FOR SOCIAL POLICY & DEVELOPMENT / *Contributions are deductible for income tax purposes*

The statistics showing that there are six million preschool children whose mothers work compared with 700,000 licensed day care "slots" amply demonstrate the need for a national commitment expressed by congressional enactment and funding of a quality, comprehensive, developmental child care program available to all children. At the same time, we know this need in a pressing way from our own experience in our families, in our neighborhoods, and wherever we live.

Surely nothing must be allowed to be more important to this country than its children. While the children are the future of the nation, their need is now. We therefore strongly urge that the Congress expedite the enactment of legislation which does no less that the following:

- provide for programs which are of high quality, comprehensive, developmental, oriented to the needs of children and available to all children
- involve parents directly in policy decisions affecting their own children
- provide for local control and enough flexibility to meet needs of individual communities
- design programs to include children with different socio-economic backgrounds
- assure that needs of minority group and economically disadvantaged children are met
- authorize sufficient new public monies to fund adequately the program

Legislation of the type described is, we believe, long overdue. We hope that this nation's obligation to help its children develop to their full potential as human beings will be delayed no longer.

NATIONAL COUNCIL OF JEWISH WOMEN, INC.
1 West 47th Street, New York, N.Y. 10036

STATEMENT SUBMITTED TO THE SUBCOMMITTEE ON CHILDREN AND YOUTH, COMMITTEE ON LABOR AND PUBLIC WELFARE, UNITED STATES SENATE, ON THE COMPREHENSIVE CHILD DEVELOPMENT PROGRAM OF THE ECONOMIC OPPORTUNITY AMENDEMENTS OF 1972 . . . . March 28, 1972

The National Council of Jewish Women, an organization established in 1893, and with a membership of over 100,000 in local sections throughout the United States, has concerned itself with the welfare of children since its inception.

At the last biennial convention held in April of 1971, in Detroit, Michigan, the delegates adopted the following resolution:

> "The National Council of Jewish Women believes that a healthy community, sound family life and individual welfare are interdependent and thrive when barriers of poverty and discrimination are removed. It believes, therefore, that our democratic society must give priority to programs which meet the economic, social and physical needs of all the people, and that the public and the private sector must work together to help individuals function successfully and independently in a changing society.
>
> IT THEREFORE RESOLVES:
>
> To work for the expansion and development of quality comprehensive child care programs, available to all children, and to work for adequate financing."

The unmet needs of our children constitute one of the most important challenges our nation faces today. It is vital that these needs be met wisely on the basis of the intensive analysis their importance merits. As a society, we have, for all too long given little more than lip service to these needs, meeting only a tiny, fractional part of them. Literally millions of our little children suffer unconscionable harm due to the acute shortage of child development services. Many millions more, while cared for, if mere custodial care can be so described, are denied the opportunity to realize their potentials because they lack the developmental opportunities which should be the birthright of every child.

Two groups of children are in especially urgent need of developmental day care. In order of numerical magnitude, the first is comprised of children of employed mothers who cannot arrange for satisfactory care for them at home. The second group of children is that whose mothers are economically disadvantaged, who are not now working, and who are unable to provide them the kind of preschool care which would give them an equal start with others.

Because the development of child care services has been of prime concern to our organization for many years, at least 130 of our Sections across the country are presently providing day care services or conducting other programs to help to meet day care needs. Now the National Council of Jewish Women is about to publish the results of our national survey on day care in a book to be entitled "Windows on Day Care".

We embarked upon the national study to help tell the story of day care needs and how they are being met in a large number of representative American communities. Our volunteers conducted many hundreds of interviews with mothers, day care leaders and officials, and providers of day services. We visited family and group day care homes and centers caring for a large and representative sample of all children now enrolled in such facilities. Everywhere survey participants found mounting concern with what can only be called a day care crisis. All Sections told of harassed mothers who had to work to support their families to improve family income but who worried all day long about what was happening to their children.

Most of our local sections reported talks with mothers alone, living on public assistance and yearning for work or training, but thwarted in this ambition because they were unable to obtain satisfactory child care.

Need for Services

In vetoing the Child Care and Development Act of 1971 President Nixon stated that: "...neither the immediate need nor the desirability of a national child development program of this character has been demonstrated."

Our survey indicates that the need is overwhelming in all parts of the country. Let us cite just a few excerpts from the reports of our survey investigators:

> Albany: According to a report of the Day Care Study Committee, appointed by the Mayor, "over four thousand children under the age of six whose mothers work are in need of day care. There were full day care facilities available for only three hundred.
>
> Atlanta: "Only about ten percent of the city's poverty children are being provided day care."
>
> Chicago: "A Health and Welfare Council survey found that seven hundred children less than six years of age were without day-time supervision while their mothers worked; fifteen thousand latchkey children aged six to thirteen were on their own, desperately in need of after school care. In one community there is room in existing facilities for a mere sixty-two children...there is need for day care services for three thousand...."
>
> Los Angeles; "Head start day care is meeting less than ten percent of the need for this specific service, based on community identified needs...all day care centers have fantastic waiting lists."
>
> Cleveland: A day care planning consultant to the Welfare Federation estimated that only ten percent of the need for day care was being met: "It's like looking at the top of an iceberg."
>
> Pittsburgh: A Director of the Work Incentive Training Program (WIN) for the county, told Council interviewers that 202 women with 258 children under six could not be placed in the WIN program because they couldn't find adequate day care facilities...and said a mother who chaired a parents' committee of a Community Action program center caring for children of mothers in job training: "Day care is all that these WIN mothers have going for them. Without it, they'd be up the river. Now that they are finally independent, they don't want to go back on welfare. I only wish that there were more day care facilities."
>
> Sacramento: "Licensed homes and centers are serving less than ten percent of total community needs."

Public Funds to Profit-Making Vendors of Services

The National Council of Jewish Women feels very strongly that public funds should not be allocated to profit-making vendors of day care services. Our survey investigators found that the standards in a large percentage of the proprietary centers are extremely poor. Personnel, by and large, is not professionally trained. Parental participation is at a minimum. Some centers actually discriminate against minority children. At the same time fees charged in proprietary centers are, on the average, higher than those charged in non-profit centers.

> A survey participant commented on a proprietary center she had visited in which 35 children were enrolled. At the time of her visit two children, aged 10 and 12, were in charge, with no adult in sight. Said the Council member: "This center should be closed. Absolutely filthy. Toilets not flushed and smelly. Broken equipment and doors. Broken windows, broken chairs and tables. No indoor play equipment. One paper towel used to wipe the faces and hands of all children. Kitchen very, very dirty." ... And for this, the typical fee was $25.00 a week, with some families paying as much as $45.00.

According to our Survey report, the non-profit centers presented, on the whole, a more encouraging picture. A large majority of non-profit programs charged a flat fee of $14.00 a week. A few scaled their fees from nominal amounts upward, according to the income of parents.

Qualifications of directors of non-profit centers were far higher than those who headed centers under proprietary auspices. Salaries paid were far better in non-profit than proprietary centers, both for professional personnel and aides.

Day Care Homes

It is estimated that in the nation as a whole as many as 2 million children are cared for in the homes of relatives, neighbors and others while their mothers are away at work. Fewer than five percent of these homes are licensed or supervised. Council members visited many homes. At best they occasionally offer care equal to that available in superior centers, but more than half visited were purely custodial in nature, and an additional ten percent were abominable. It was some of these homes which provided the worst horror stories encountered.

Let us cite one description taken from a Section report:

> "When Mrs. _____ opened the door for us, we felt there were probably very few, if any, children in the house, because of the quiet. It was quite a shock, therefore, to discover about seven or eight children, one year old or under, in the kitchen; a few of them were in high-chairs, but most were strapped to kitchen chairs, all seemingly in a stupor.
>
> "It wasn't until we were in the kitchen that we heard the noise coming from the basement. There we found over twenty children huddled in a too-small, poorly ventilated, cement floor area. A TV with an apparently bad picture tube was their only source of entertainment or stimulation.

> "When we went to look at the back yard, we passed through a porch, where we discovered, again, children, children and more children. The children were literally under our feet. Pathetically enough, it was necessary for Mrs. _____ to reprimand one child for stepping on another.
>
> "Mrs. _____ takes care of two families -- six children -- whom the Bureau of Children's Service subsidizes. The other children (41, for a total of 47 children) she takes care of independently, receiving two dollars per day per child. She told us that she has been doing this for twenty years and seemed quite proud to be able to manage as well alone, with no help."

This is only a thumbnail sketch of a very few of the many very important things we found out through our inquiry. Our report which will soon be in print will tell the story in detail. We shall be happy to submit a copy for the Committee's information.

Recommendations

The data produced by our survey indicates that quality day care, which can help children to develop to their full potential, is not too frequently encountered, and vigorous action at the national, state and local levels on behalf of children must be undertaken. Comprehensive developmental child care services should be available to all families who wish their children to benefit from them. Legislation to provide care for children must include:

1. Well defined standards not lower than those of the Inter-Agency requirements of 1968.
2. Parental involvement in development of programs.
3. Opportunities for socio-economic mix among enrollees in day care facilities.
4. Funds for training of child care personnel.
5. Allocation of funds to public and private non-profit agencies only.
6. Full subsidization of quality care for children of low income families and partial subsidization, on a sliding scale, for children whose families are above the poverty level, but not able to afford the full costs of care.

We urge your Committee to report favorably a comprehensive child development program so that millions of children will have the opportunity for a good start in life.

National Capital Area
CHILD DAY CARE ASSOCIATION, INC.
1020 3rd Street, N.W.
Washington, D.C. 20001
Telephone: 638-1272

April 14, 1972

Mr. A. Sidney Johnson, III
Senate Subcommittee on Children & Youth
Washington, D.C. 20510

Dear Sid,

The joint hearing of the Subcommittee on Children and Youth and the Subcommittee on Employment, Manpower and Poverty on S3193 and S3228 held on Monday, March 27th was of great interest to me due to my work with the Child Day Care Association and more specifically my experience training para-professional preschool teachers for the past four years.

Dr. Meers and Dr. van dan Haag both testified on the difficulties in finding and training exceptional people to staff day care centers. Dr. Meers stated that ghetto parents were too beaten down to participate actively in child care programs either in decision making or as permanent staff. Dr. van dan Haag emphasized that children need stable relationships with warm, spontaneous people and that such teachers are not made in institutions.

It has been my experience as Education Director for a Head Start program in Mississippi where 90% of the staff were parents and community people, and as Education Specialist with Model Cities Day Care in Washington which employs para-professionals from the target area, that these people have a new strong feeling towards their children and do indeed make excellent teachers. A teacher cannot be "trained" to care about children. One reason for hiring parents and community people is that they want the best for their children and are willing to work hard to achieve their goals when given the opportunity. If we only provide services to children and do not attempt to support their parents through respect and training, we will fail.

I would agree with Dr. van dan Haag that teachers are not made in institutions; why else would our public schools be so woefully inadequate? This is precisely why continuous, on-the-job training has proven so effective in enabling teachers to learn the techniques of accessing children's needs and helping them grow and develop as individuals.

Finally, in response to the testimony on staffing problems in day care centers and the need for stable relationships, we have always found that para-professionals rarely leave a job that offers both challenge and the opportunity to develop a career.

Please place my name on your mailing list as I am most anxious to know of future hearings and events related to the child care bill.

Sincerely,

Diane

Diane B. Trister
Education Specialist
Model Cities

March 30, 1972

NATIONAL WELFARE RIGHTS ORGANIZATION TESTIMONIAL STATEMENT

In reference to the Title V. Child Care Center and Services Bill, S.3193. Introduced in the Senate on February 17, 1972 by Senator G. Nelson. Than referred to the Committee on Labor and Public Welfare.

In this country, the concept that education is a right-not a privilege is very wide spread. In fact, for a certain number of years in the life of every person, education is not only a right, but also a duty-education is compulsory.

Given the fact that our national policy is that-education is a right, not a privilege, we would propose the following guideline for a national educational child care plan:

1. End profit-making in education, making it a service, not a business.
2. Pay for all education services with a progressive tax on total wealth-personnal and corporate.
3. Administer educational child care centers locally through representatives of students, parents and educational workers.
4. Provide complete and preventative education with no charge for educational services.
5. Create a federal non-profit corporation to produce and distribute equipment and educational supplies.

Once we accept the premise that education is not only a right-but public responsibility, the proposed guidelines seem only logical.

National Welfare Rights Organization is strongly opposed to profit-making child care centers. Child care is no different from other human services. Profiting from human services for children is the same as profiting from services to people of all ages.

As most of those who had ever been involved with child care know and as most of the investment community has learned, on an "open market" basis, businessmen cannot make a reasonable profit from day care or child care and offer a quality service at the same time.

We are determined that children in child care programs will escape the stripmining, rake-off process which took place with the aged through the "chains" of profit-making nursing homes, in spite of the position of President Nixon.

President Nixon has said, "the federal government's role where ever possible should be one of assisting parents to purchase needed day care services in the private, open market..."

As with every other service, day care, in the mind of President Nixon and many others, is no different from any other commodity traded according to the laws of supply and demand, lowest possible price and-to use the term made familiar by the Pentagon - "cost-benefit" ratios.

At the recent National Child Development Action Conference in Washington, D.C., which brought together over 1,200 people from forty-seven states representing every economic stratum and ethnic minority group, the following resolution was voiced and passed - "Whereas quality day care and child development are primary objectives for the children of this country, it is resolved that the federal government must appropriate adequate funds for private non-private nonprofit and public quality day care and child development programs..."

The National Welfare Rights Organization re-affirms its committment to the need expressed in this resolution-calling for an absolute prohibition against profit-making child care programs, with changes of all references in the bill from "public or private agency (or agencies)" to public or private non-profit agency (or agencies).

Furthermore, we support free child care for all families in need of this program whose annual income is less than $6,900 a year - the income level designated as adequate in 1972 for a family of by the Bureau of Labor Statistics.

We also oppose - any watering down of the 1968 Federal-Interagency Standands and therefore, as a further protection for childrenf we call for a statement in the bill - upholding these regulastions.

On March 25th, approximately 50,000 children and their families and friends came to Washington to demonstrate the inhuman situation many of their numbers are forced to live in. Inadequate and limited child care programs was sited as one of the the major problems facing children today. The National Welfare Rights Organization is committed to changing this situation. The children of this nation will be heard!

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM

LEGISLATIVE OFFICE
UNITED STATES SECTION

120 MARYLAND AVENUE, N.E.
WASHINGTON, D.C.

[illegible]

STATEMENT OF ROSALIE RIECHMAN
ON CHILD CARE BEFORE
SUBCOMMITTEE ON CHILDREN AND YOUTH OF
SENATE LABOR AND PUBLIC WELFARE COMMITTEE
March 28, 1972

The Women's International League for Peace and Freedom, founded in 1915 by Jane Addams, with 150 branches across the country, is deeply concerned about the overwhelming lack of adequate child cay care facilities in this country.

This deficiency often makes it necessary for the children of mothers who are forced to work to be placed in facilities that are hazardous to their health and safety. It also keeps many capable women who would prefer to work out of the labor market.

We supported S.2007 last year and urge the passage this year of a similar bill. An adequate bill in our estimation would include the following:

1. High quality, developmental programs geared to the needs of children.
2. The direct involvement of parents in the policy-making process; policy-making councils should include a majority of parents.
3. Availability to all children.
4. Racial, social and economic integration.
5. Community control where feasible.

We are opposed to:

1. All custodial programs.
2. Compulsory participation as a means to force parents to work.
3. Unequal treatment of mothers and fathers in their rights and participation in the program.

Founded in 1915 — Jane Addams, First President

THE APPALACHIAN REGIONAL COMMISSION
1666 CONNECTICUT AVENUE
WASHINGTON, D.C. 20235

OFFICE OF
FEDERAL COCHAIRMAN

April 12, 1972

Honorable Walter F. Mondale
Chairman, Subcommittee on Children and
Youth
Senate Labor and Public Welfare Committee
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Enclosed please find several copies of my statement for the hearing record on S. 3193 and S. 3228, which Gary Curran, of my staff, discussed with Dick Johnson, of your staff, last week.

I certainly hope it will be possible to make provision in the bill your Committee reports for the continuation of the Appalachian Regional Commission projects as outlined in my statement.

I am sending a copy of my statement to each member of the Committee.

Thank you for your courtesy in this matter.

Sincerely,

Donald W. Whitehead
Federal Cochairman

Enclosure

STATEMENT BY DONALD W. WHITEHEAD, FEDERAL COCHAIRMAN OF THE APPALACHIAN REGIONAL COMMISSION, TO THE SUBCOMMITTEE ON CHILDREN AND YOUTH, SENATE LABOR AND PUBLIC WELFARE COMMITTEE ON S. 3193 AND S. 3228

It is a pleasure to be here today and to have the opportunity to discuss with you some of the concerns of the Appalachian Regional Commission in relation to the effective delivery of comprehensive child development services.

This is a matter of particular interest to the Commission whose mandate from the Congress is the establishment of a "national laboratory for the establishment of coordinated and comprehensive programs for children".

For the t wo years since that mandate, the Commission staff has been working with the thirteen Appalachian States to effect a planning and program development mechanism that will coordinate and deliver the various services needed and desired by families for their children up to the age of six.

One of the major tasks in planning for the development of a comprehensive and coordinated child development delivery system has been the examination of the existing delivery system with an eye to making that system function more effectively. In large measure we find that the operation of the delivery system for children's services is dependent upon the flow of public money. The major portion of Federal funds for children's services usually flows from a Federal agency to that agency's counterpart at the State level.

Further, we have found that in most instances a specific service is funded in a direct but narrow program line from the Federal to the State level. At the State level, each service may then be planned and delivered separately.

The result is a morass of fragmented services with conflicting regulations and eligibility criteria, confusing to the consumer if not often ineffective or unavailable. Overlapping and duplication uses up funds that would be better spent on service.

A different service system for children is characterized by the flow of Head Start and Model Cities funds. In this model, funds flow from the Federal level to the applicant; funds are not subject to State level planning or allocation. The proliferation of independent units within the State has made coordinated planning, cost-effective administration, and utilization of scarce technical manpower impossible.

The independence of Head Start and Model Cities programs for children from State level coordination was instituted in order to respond to each community's individual need for service. In reality, what has evolved after six years of experience, is a program in which each grantee must struggle annually for its share of scarce local matching funds. Program priorities cannot be effectively determined. The bureaucracy of program operation is vast. Comprehensive planning and integration of services does not take place.

An analysis of both S. 3228 and S. 3193 reveals that effective State-level coordination of all the services needed to provide families with supportive resources for their children is missing. State-level planning is given support in the proposed legislation, but there is no authority at the State level for the implementation of planning. Thus, although a portion of the funding pattern anticipates State utilization of money for planning, there is not in this legislation a mechanism to assure that the Governor can see to it that the planning efforts are utilized effectively. Clearly, a new State agency is created which is not responsible to or coordinated by the Governor and yet duplicates the functions of existing State child-serving agencies. Furthermore, it is proposed that community child care councils encompass a larger population of potential users of service than heretofore. Authority still remains diffuse and portends non-constructive competition within the State since there is no mechanism for coordination and/or assurance of a cost-effective program.

Looking at the need for coordination of children's programs to effect comprehensive service delivery, and given the unique Federal-State relationship established as a result of the Appalachian Regional Development Act plus the Congressional "national laboratory" mandate, the Commission has developed and is currently working with a system of coordinated planning at the State level under the direction of the Governor and assuring local participation in planning and program development.

In practice, this has meant that the Governor convenes a State-level planning committee composed initially of the directors of those State agencies concerned with programs for children up to the age of six.

The Committee, with a small staff employed by it, constitutes the "executive committee" of what may become a more broadly representative group. It has specific responsibilities for determining the scope of services and standards for quality of services. It examines existing procedures and regulations and the administrative procedures of each agency -- and resolves the differences, the duplications and spots the gaps in service that such an examination reveals.

And it does more than this. It directly assists counties in organizing local planning bodies -- groups which include both the provider and consumers of service, community decision makers, and public and private groups. These groups, using the definitions of components developed for State-wide use -- select their own local priorities and identify the sequence and delivery systems that make sense to them.

At a level between the State and the County, a regional child development committee serves to coordinate plans, priorities and regional resources for a group of six or eight contiguous counties, generally distributed around a city or market area which has the basic services being offered in that part of the State. In most States, the boundaries of such regions are contiguous with our local development districts.

The basic mechanism is developing in all the Appalachian States. In most of the States, the process of development is sufficiently mature to have resulted in project proposals with budgets requesting more than $89 million in program funds for FY 1972. This amount represents $30 million from ARC, plus a combination of other Federal, State, and local funds.

Planning and program development arising from local need through a coordinated planning mechanism at the State level has facilitated maximum utilization of scarce financial and human resources.

Under Section 202 of the Appalachian Regional Development Act, our funds phase down from a maximum 100% in the first two years to 50% in the succeeding three years and termination after the fifth year of funding. Because of the specific delivery system required in S. 3193 and S. 3228, there is some question whether our programs, which are experimenting with other delivery systems, would be eligible for funding under the national child development program proposed in these two bills.

Failure to provide for this would in effect discrimminate against projects in the already economically depressed area of Appalachia by adding a $30 million additional tax burden on the Region.

That is, in most of Appalachia, an impossible choice would be required: whether to further overload an already inadequate tax base or to abandon Appalachian child development projects.

In many cases, the inevitable decision would almost have to be termination of the projects.

This would badly hurt Appalachia and certainly would detract from the overall purpose of your two bills -- namely, to maximize the expansion of child development programs throughout the Nation.

Speaking of the national effort in this field, a comparable effort in coordinating the Federal system is currently being undertaken through the Department of Health, Education, and Welfare's Office of Child Development. This is the Community Coordinated Child Care (4-C) program. Through a cooperative agreement between ARC and OCD, the Appalachian Commission has, for more than one year, been providing technical assistance and training to regional office staff in coordinated planning at the local, regional and State level through the 4-C mechanism. The coordination models are similar. Developers of the 4-C mechanism realized that the State was a vital link in bringing together the diverse elements that make up a comprehensive child development service system. The effectiveness of State-level coordination is clear in those Appalachian States where the Governor has determined that the 4-C committee and the State Interagency Committee for Child Development (established with ARC planning funds) shall be the same body.

Gentlemen of the Committee, child development services are needed wherever parents determine that their children will benefit. There are never enough resources to meet all the needs. Let us consider the most effective way of utilizing those resources available to deliver a healthier life to all children and their families.

Note:

Pages 304-321, "Disadvantaged Children: What Have They Compelled Us to Learn?" by Julius B. Richmond are not available for reproduction. This paper may be found in Yale Journal of Biology and Medicine; v43 p127-144 Dec 1970.

92D CONGRESS *1st Session*	SENATE	DOCUMENT No. 92–48

VETO MESSAGE—ECONOMIC OPPORTUNITY AMENDMENTS OF 1971

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT APPROVAL THE BILL (S. 2007) ENTITLED "TO PROVIDE FOR THE CONTINUATION OF PROGRAMS AUTHORIZED UNDER THE ECONOMIC OPPORTUNITY ACT OF 1964, AND FOR OTHER PURPOSES

DECEMBER 10, 1971.—Read and ordered to be printed.

To the Senate of the United States:

I return herewith without my approval S. 2007, the Economic Opportunity Amendments of 1971.

This legislation undertakes three major Federal commitments in the field of social welfare: extension of the Economic Opportunity Act of 1964, creation of a National Legal Services Corporation, and establishment of a comprehensive child development program.

As currently drafted, all three proposals contain provisions that would ill serve the stated objectives of this legislation, provisions altogether unacceptable to this administration.

Upon taking office, this administration sought to redesign, to redirect—indeed, to rehabilitate—the Office of Economic Opportunity, which had lost much public acceptance in the five years since its inception. Our objective has been to provide this agency with a new purpose and a new role. Our goal has been to make the Office of Economic Opportunity the primary research and development arm of the Nation's and the Government's on-going effort to diminish and eventually eliminate poverty in the United States. Despite occasional setbacks, considerable progress has been made.

That progress is now jeopardized. Two ill-advised and restrictive amendments contained in this bill would vitiate our efforts and turn back the clock.

In the 1964 act the President was granted authority to delegate—by executive action—programs of OEO to other departments of the Government. That flexibility has enabled this administration to shift tried and proven programs out of OEO to other agencies—so that OEO can concentrate its resources and talents on generating and testing new ideas, new programs and new policies to assist the remaining poor in the United States. This flexibility, however, would be taken away under amendments added by the Congress—and the President would be prohibited from spinning off successful and continuing programs to the service agencies.

If this congressional action were allowed to stand, OEO would become an operational agency, diluting its special role as incubator and tester of ideas and pioneer for social programs.

Secondly, the Congress has written into the OEO legislation an itemized list of mandatory funding levels for 15 categorical programs. This specific earmarking of funds for specific programs at OEO is genuinely reactionary legislation; it locks OEO executives into supporting and continuing programs that may prove less productive; it inhibits the very experimentation and innovation which I believe should be the primary mission of OEO; it denies administrative discretion to the executives of OEO and, most important, it restricts and limits the amount of funds available for hopeful new initiatives.

Should these amendments become law, OEO's days as the principal pioneer of the Nation's effort to combat poverty would be numbered; OEO would rapidly degenerate into just another ossified bureaucracy. Even if OEO legislation were to come separetely to my desk, containing these provisions, I would be compelled to veto it as inconsistent with the best interest of America's poor. I urge the Congress to remove these restrictions.

The provision creating the National Legal Services Corporation differs crucially from the proposal originally put forth by this administration. Our intention was to create a legal services corporation, to aid the poor, that was independent and free of politics, yet contained built-in safeguards to assure its operation in a responsible manner. In the Congress, however, the legislation has been substantially altered, so that the quintessential principle of accountability has been lost.

In re-writing our original proposal, the door has been left wide open to those abuses which have cost one anti-poverty program after another its public enthusiasm and public support.

The restrictions which the Congress has imposed upon the President in the selection of directors of the Corporation is also an affront to the principle of accountability to the American people as a whole. Under congressional revisions, the President has full discretion to appoint only six of the seventeen directors; the balance must be chosen from lists provided by various professional, client and special interest groups, some of which are actual or potential grantees of the Corporation.

The sole interest to which each board member must be beholden is the public interest. The sole constituency he must represent is the whole American people. The best way to insure this in this case is the constitutional way—to provide a free hand in the appointive process to the one official accountable to, and answerable to, the whole American people—the President of the United States, and to trust to the Senate of the United States to exercise its advise and consent function.

To compound the problem of accountability, Congress has further proposed that during the crucial 90 day period—when the corporation is set into motion—its governance is to rest exclusively in the hands of designees of five private interest groups. That proposal should be dropped.

It would be better to have no legal services corporation than one so irresponsibly structured. I urge the Congress to rewrite this bill, to create a new National Legal Services Corporation, truly independent of political influences, containing strict safeguards against the kind of abuses certain to erode public support—a legal services corporation which places the needs of low-income clients first, before the political concerns of either legal service attorneys or elected officials.

But the most deeply flawed provision of this legislation is Title V, "Child Development Programs."

Adopted as an amendment to the OEO legislation, this program points far beyond what this administration envisioned when it made a "national commitment to providing all American children an opportunity for a healthful and stimulating development during the first five years of life."

Though Title V's stated purpose, "to provide every child with a full and fair opportunity to reach his full potential" is certainly laudable, the intent of Title V is overshadowed by the fiscal irresponsibility, administrative unworkability, and family-weakening implications of the system it envisions. We owe our children something more than good intentions.

We cannot and will not ignore the challenge to do more for America's children in their all-important early years. But our response to this challenge must be a measured, evolutionary, painstakingly considered one, consciously designed to cement the family in its rightful position as the keystone of our civilization.

Further, in returning this legislation to the Congress, I do not for a moment overlook the fact that there are some needs to be served, and served now.

One of these needs is for day care, to enable mothers, particularly those at the lowest income levels, to take full-time jobs. Federal support for State and local day care services under Head Start and the Social Security Act already totals more than half a billion dollars a year—but this is not enough. That is why our H.R. 1 welfare reform proposals, which have been before the Congress for the past 26 months, include a request for $750 million annually in day care funds for welfare recipients and the working poor, including $50 million for construction of facilities. And that is why we support the increased tax deductions written into the Revenue Act of 1971, which will provide a significant Federal subsidy for day care in families where both parents are employed, potentially benefitting 97 percent of all such families in the country and offering parents free choice of the child care arrangements they deem best for their own families. This approach reflects my conviction that the Federal Government's role wherever possible should be one of assisting parents to purchase needed day care services in the private, open market, with Federal involvement in direct provision of such services kept to an absolute minimum.

A second imperative is the protection of children from actual suffering and deprivation. The administration is already moving on this front, under a policy of concentrating assistance where it will help the most—a policy certain to suffer if Title V's scatteration of attention and resources were to become law. Action we are presently taking includes:

—Expansion of nutritional assistance to poor children by nearly tripling participation in the food stamp program (from 3.6 million people to 10.6 million people) and doubling support for child nutrition programs (from less than $600 million to more than $1.2 billion) since 1969.

—Improvement of medical care for poor children through the introduction of more vigorous screening and treatment procedures under Medicaid.

—More effective targeting of maternal and child health services on low income mothers who need them most.

Furthermore, Head Start continues to perform both valuable day care and early education services, and an important experimentation and demonstration function which identifies and paves the way for wider application of successful techniques. And the Office of Child Development which I established within the Department of Health, Education, and Welfare in 1969 provides overall leadership for these and many other activities focused on the first five years of life.

But, unlike these tried and tested programs for our children, the child development envisioned in this legislation would be truly a long leap into the dark for the United States Government and the American people, I must share the view of those of its supporters who proclaim this to be the most radical piece of legislation to emerge from the Ninety-second Congress.

I also hold the conviction that such far-reaching national legislation should not, must not, be enacted in the absence of a great national debate upon its merit, and broad public acceptance of its principles.

Few contend that such a national debate has taken place. No one, I believe, would contend that the American people, as a whole, have determined that this is the direction in which they desire their government and nation to go.

Specifically, these are my present objections to the proposed child development program:

First, neither the immediate *need* nor the desirability of a national child development program of this character has been demonstrated.

Secondly, day care centers to provide for the children of the poor so that their parents can leave the welfare rolls to go on the payrolls of the nation, are already provided for in H.R. 1, my workfare legislation. To some degree, child development centers are a duplication of these efforts. Further, these child development programs would be redundant in that they duplicate many existing and growing Federal, State and local efforts to provide social, medical, nutritional and education services to the very young.

Third, given the limited resources of the Federal budget, and the growing demands upon the Federal taxpayer, the expenditure of two billions of dollars in a program whose effectiveness has yet to be demonstrated cannot be justified. And the prospect of costs which could eventually reach $20 billion annually is even more unreasonable.

Fourth, for more than two years this administration has been working for the enactment of welfare reform, one of the objectives of which is to bring the family together. This child development program appears to move in precisely the opposite direction. There is a respectable school of opinion that this legislation would lead toward altering the family relationship. Before even a tentative step is made in this direction by their government, the American people should be fully consulted.

Fifth, all other factors being equal, good public policy requires that we enhance rather than diminish both parental authority and parental involvement with children—particularly in those decisive early years when social attitudes and a conscience are formed, and religious and moral principles are first inculcated.

Sixth, there has yet to be an adequate answer provided to the crucial question of who the qualified people are, and where they would come from, to staff the child development centers.

Seventh, as currently written, the legislation would create, ex nihilo, a new army of bureaucrats. By making any community over 5,000 population eligible as a direct grantee for HEW child development funds, the proposal actively invites the participation of as many as 7,000 prime sponsors—each with its own plan, its own council, its own version of all the other machinery that has made Head Start, with fewer than 1,200 grantees, so difficult a management problem.

Eighth, the States would be relegated to an insignificant role. This new program would not only arrogate the initiative for preschool education to the Federal Government from the States—only 8 of which even require kindergarten at present. It would also retain an excessive measure of operational control for such education at the Federal level, in the form of the standards and program guidelines to be set down by the Secretary of HEW.

Ninth, for the Federal Government to plunge headlong financially into supporting child development would commit the vast moral authority of the National Government to the side of communal approaches to child rearing over against the family-centered approach.

This President, this Government, is unwilling to take that step. With this message, I urge the Congress to act now to pass the OEO extension and to create the legal services corporation along the lines proposed in our original legislation.

RICHARD NIXON.

THE WHITE HOUSE, *December 9, 1971.*

S. 2007

NINETY-SECOND CONGRESS OF THE UNITED STATES OF AMERICA

AT THE FIRST SESSION

Begun and held at the City of Washington on Thursday, the twenty-first day of January, one thousand nine hundred and seventy-one

An Act To provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Amendments of 1971".

EXTENSION OF ECONOMIC OPPORTUNITY ACT

SEC. 2. Sections 171, 245, 321, 408, 615, and 835 of the Economic Opportunity Act of 1964, as amended, are each amended by striking out "five succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) (1) For the purpose of carrying out parts A, B, and E of title I (relating to work and training) of the Economic Opportunity Act of 1964, there are authorized to be appropriated $900,000,000 for the fiscal year ending June 30, 1972, and such amounts as the Congress may determine to be necessary for the fiscal year ending June 30, 1973.

(2) For the purpose of carrying out Neighborhood Youth Corps programs under paragraphs (1) and (2) of section 123(a) of such Act, there is further authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1972. No State shall receive less than $3,000,000 of the amounts appropriated pursuant to this paragraph or six-tenths of 1 per centum of the amounts so appropriated, whichever is less.

(b) For the purpose of carrying out the Project Headstart program described in section 222(a)(1) of the Economic Opportunity Act of 1964 and the Follow Through program described in section 222(a)(2) of such Act, there is authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1972. For the purpose of carrying out the Follow Through program described in section 222(a)(2) of such Act, there is further authorized to be appropriated $70,000,000 for the fiscal year ending June 30, 1973.

(c) (1) For the purpose of carrying out titles II, III, VI, VII, VIII, and IX of the Economic Opportunity Act of 1964, there are authorized to be appropriated $950,000,000 each for the fiscal year ending June 30, 1972, and for the succeeding fiscal year.

(2) Notwithstanding any other provision of law, unless expressly in limitation of the provisions of this section, of the amounts appropriated pursuant to paragraph (1) of this subsection for each fiscal year, the Director of the Office of Economic Opportunity shall for each such fiscal year reserve and make available not less than $328,900,000 for programs under sections 221, 226, and 227 of the Economic Opportunity Act of 1964 and not less than $61,000,000 for Legal Services programs under section 222(a)(3) and title IX of such Act, and the remainder of such amounts shall be allocated and made available, subject to the provisions of section 616 of such Act, in such a manner that for each such fiscal year—

(A) $378,900,000 shall be for the purpose of carrying out title II of which $114,000,000 shall be for the purpose of carrying out the Comprehensive Health Services program described in section 222(a)(4), $62,500,000 shall be for the purpose of carrying out the Emergency Food and Medical Services program described in section 222(a)(5), $25,000,000 shall be for the purpose of carrying out the Family Planning program described in section 222(a)(6), $8,800,000 shall be for the purpose of carrying out the Senior Opportunities and Services program described in section 222(a)(7), $18,000,000 shall be for the purpose of carrying out the Alcoholic Counseling and Recovery program described in section 222(a)(8), $18,000,000 shall be for the purpose of carrying out the Drug Rehabilitation program described in section 222(a)(9), $5,000,000 shall be for the purpose of carrying out the Environmental Action program described in section 222(a)(10), $10,000,000 shall be for the purpose of carrying out the Rural Housing Development and Rehabilitation program described in section 222(a)(11), and $117,600,000 shall be for the purpose of carrying out programs and activities authorized under sections 230, 231, 232, and 233 of such title;

(B) $38,000,000 shall be for the purpose of carrying out part B of title III (relating to assistance for migrant and seasonal farmworkers);

(C) $18,000,000 shall be for the purpose of carrying out title VI (relating to administration and coordination) and title X (relating to evaluation);

(D) $58,000,000 shall be for the purpose of carrying out title VII (relating to community economic development); and

(E) $45,000,000 shall be for the purpose of carrying out part A of title VIII (relating to VISTA).

If the amounts appropriated pursuant to paragraph (1) of this subsection for any fiscal year are not sufficient to assure that the full amount specified for each of the purposes set forth in clauses (A) through (E) of this paragraph will be provided for each such fiscal year, then the amount specified for each such purpose in each such clause (after deducting from any amount so specified any amount otherwise specifically provided for such purpose by an appropriation Act for that fiscal year) shall be prorated to determine the allocation required for each such purpose.

(3) In addition to the amounts authorized to be appropriated and allocated pursuant to paragraphs (1) and (2) of this subsection, there

are further authorized to be appropriated for carrying out the Economic Opportunity Act of 1964 the following sums:

(A) $2,000,000 for the fiscal year ending June 30, 1972, and $62,000,000 for the fiscal year ending June 30, 1973, to be used for the Community Economic Development program under title VII;

(B) $79,000,000 for the fiscal year ending June 30, 1972, and $109,000,000 for the fiscal year ending June 30, 1973, to be used for the Legal Services program under title IX.

(C) $5,000,000 for the fiscal year ending June 30, 1973, to be used for the Rural Housing Development and Rehabilitation program described in section 222(a)(11).

TRANSFER OF FUNDS

SEC. 4. (a) Section 616 of the Economic Opportunity Act of 1964 is amended by inserting "for the fiscal year ending June 30, 1971, and not to exceed 25 per centum" immediately before the words "for fiscal years ending thereafter".

(b) Section 616 of such Act is further amended by striking out the semicolon the first time it appears therein and all matter thereafter through "$10,000,000" the second time it appears in such section.

COMPREHENSIVE HEALTH SERVICES CHARGES

SEC. 5. Section 222(a)(4)(A)(ii) of the Economic Opportunity Act of 1964 is amended by striking out "such services may be available on an emergency basis or pending a determination of eligibility to all residents of such areas" and inserting in lieu thereof "pursuant to such regulations as the Director may prescribe, persons provided assistance through programs assisted under this paragraph who are not members of low-income families may be required to make payment, or have payment made in their behalf, in whole or in part for such assistance".

DRUG REHABILITATION PROGRAM

SEC. 6. (a) Section 222(a)(8) of the Act is amended by striking out the last sentence thereof.

(b) Section 222(a)(9) of the Act is amended by striking out the last sentence and inserting in lieu thereof the following: "The Director is authorized to undertake special programs aimed at promoting employment opportunities for rehabilitated addicts or addicts enrolled and participating in methadone maintenance treatment or therapeutic programs, and assisting employers in dealing with addiction and drug abuse and dependency problems among formerly hard core unemployed so that they can be maintained in employment. In undertaking such programs, the Director shall give special priority to veterans and employers of significant numbers of veterans, with priority to those areas within the States having the highest percentages of addicts. The Director is further authorized to establish procedures and policies which will allow clients to complete a full course of rehabilitation even though they become non-low-income by virtue of becoming employed as a part of the rehabilitation process."

NEW SPECIAL EMPHASIS PROGRAMS

SEC. 7. Section 222(a) of the Economic Opportunity Act of 1964 is further amended by inserting at the end thereof the following:

"(10) An 'Environmental Action' program through which low-income persons will be paid for working on projects designed to combat pollution or to improve the environment. Projects may include, without limitation: cleanup and sanitation activities, including solid waste removal; reclamation and rehabilitation of eroded or ecologically damaged areas, including areas affected by strip mining; conservation and beautification activities, including tree planting and recreation area development; the restoration and maintenance of the environment; and the improvement of the quality of life in urban and rural areas.

"(11) A program to be known as 'Rural Housing Development and Rehabilitation' designed to assist low-income families in rural areas to construct and acquire ownership of adequate housing, to rehabilitate or repair existing substandard units in such areas, and to otherwise assist families in obtaining standard housing. Financial assistance under this paragraph shall be provided to rural housing development corporations serving areas which are defined by the Farmers Home Administration as rural areas, and shall be used for, but not limited to, such purposes as administrative expenses; revolving development funds; nonrevolving land, land development and construction write-downs; rehabilitation or repair of substandard housing; and loans to low-income families. Loans under this paragraph may be used for, but not limited to, such purposes as the purchase of new housing units, the repair, rehabilitation and purchase of existing units, and to supplement existing Federal loan programs in order that low-income families may benefit from them. The repayment period of such loans shall not exceed thirty-three years. No loans under this paragraph shall bear an interest rate of less than 1 per centum per annum, except that if the Director, after having examined the family income of the applicant, the projected housing costs of the applicant, and such other factors as he deems appropriate, determines that the applicant would otherwise be unable to participate in this program, he may waive the interest in whole or in part and for such periods of time as he may establish except that (1) no such waiver may be granted to an applicant whose adjusted family income (as defined by the Farmers Home Administration) is in excess of $3,700 per annum and (2) any applicant for whom such a waiver is provided shall be required to commit at least 20 per centum of his adjusted family income toward the mortgage debt service and other housing costs. Family incomes shall be recertified annually, and monthly payments for all loans under this paragraph adjusted accordingly."

COMMUNITY ACTION BOARDS

SEC. 8. The last sentence of section 211(b) of the Economic Opportunity Act of 1964 is amended by striking out "three" and inserting in lieu thereof "six" and by striking out "six" and inserting in lieu thereof "twelve".

NON-FEDERAL CONTRIBUTION CEILING

SEC. 9. Section 225(c) of the Economic Opportunity Act of 1964 is amended by inserting after the second sentence thereof the following new sentence: "The Director shall not require non-Federal contributions in excess of 20 per centum of the approved cost of programs or activities assisted under this Act."

TERMINATION OF ASSISTANCE

SEC. 10. Section 231 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

"(d) If any member of a board to which section 211(b) applies files an allegation with the Director that an agency receiving assistance under this section is not observing any requirement of this Act, or any regulation, rule, or guideline promulgated by the Director under this Act, the Director shall promptly investigate such allegation and shall consider it; and, if after such investigation and consideration he finds reasonable cause to believe that the allegations are true, he shall hold a hearing, upon the conclusion of which he shall notify all interested persons of his findings. If he finds that the allegations are true, and that, after being afforded a reasonable opportunity to do so, the agency has failed to make appropriate corrections, he shall, forthwith, terminate further assistance under this title, to such agency until he has received assurances satisfactory to him that further violations will not occur."

DISTRIBUTION OF FINANCIAL ASSISTANCE

SEC. 11. Section 244 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

> "(8) Consistent with the provisions of this Act, the Director shall assure that financial assistance under this title will be distributed on an equitable basis in any community so that all significant segments of the low-income population are being served."

AMENDMENT TO MIGRANT FARMWORKERS PROGRAM

SEC. 12. Section 312(b)(3) of the Economic Opportunity Act of 1964 is amended by inserting after the word "Government" the words "employment or".

CHILD DEVELOPMENT

SEC. 13. (a) Title V of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE V—CHILD DEVELOPMENT PROGRAMS

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 501. (a) The Congress finds that—

> "(1) millions of children in the Nation are suffering unnecessary harm from the lack of adequate child development services, particularly during early childhood years;

"(2) comprehensive child development programs, including a full range of health, education, and social services, are essential to the achievement of the full potential of the Nation's children and should be available to children whose parents or legal guardians shall request them regardless of economic, social, and family backgrounds;

"(3) children with special needs must receive full and special consideration in planning any child development programs and, pending the availability of such programs for all children, priority must be given to preschool children with the greatest economic and social need;

"(4) while no mother may be forced to work outside the home as a condition for using child development programs, such programs are essential to allow many parents to undertake or continue full- or part-time employment, training, or education;

"(5) comprehensive child development programs not only provide a means of delivering a full range of essential services to children, but can also furnish meaningful employment opportunities for many individuals, including older persons, parents, young persons, and volunteers from the community; and

"(6) it is essential that the planning and operation of such programs be undertaken as a partnership of parents, community, and State and local government with appropriate assistance from the Federal Government.

"(b) It is the purpose of this title to provide every child with a fair and full opportunity to reach his full potential by establishing and expanding comprehensive child development programs, and services designed to assure the sound and coordinated development of these programs, to recognize and build upon the experience and success gained through the Headstart program and similar efforts, to furnish child development services for those children who need them most, with special emphasis on preschool programs for economically disadvantaged children, and for children of working mothers and single parent families, to provide that decisions on the nature and funding of such programs be made at the community level with the full involvement of parents and other individuals and organizations in the community interested in child development, and to establish the legislative framework for child development services.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 502. (a) For the purpose of carrying out this title, there is authorized to be appropriated $2,000,000,000 for the fiscal year ending June 30, 1973. Any amounts appropriated for such fiscal year which are not obligated at the end of such fiscal year may be obligated in the succeeding fiscal year.

"(b) For the purpose of providing training, technical assistance, planning, and such other activities as the Secretary deems necessary and appropriate to prepare for the implementation of this title, there is authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1972.

"ALLOCATION OF FUNDS

"SEC. 503. (a) The amounts appropriated for carrying out this title for any fiscal year after June 30, 1972, shall be made available in the following manner:

"(1) $500,000,000 shall first be used for the purpose of providing assistance under parts A, B, and E of this title for child development programs focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects;

"(2) not to exceed 10 per centum of the remaining amounts so appropriated shall be used for the purpose of carrying out parts B, C, D, and E of this title, as the Secretary deems appropriate; and

"(3) the remainder of such amounts shall be used for the purpose of carrying out part A of this title.

"(b) (1) From the amounts available for carrying out comprehensive child development programs under part A of this title, the Secretary shall reserve the following:

"(A) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children of migrant agricultural workers bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children of migrant agricultural workers on an equitable basis, and to the extent practicable in proportion to the relative numbers of children served in each such program;

"(B) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children in Indian tribal organizations bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children in Indian tribal organizations on an equitable basis, and to the extent practicable in proportion to the relative numbers of children in each such program;

"(C) not less than 10 per centum of the total amount available for carrying out this title, which shall be made available for the purposes of section 512(2)(I) of such part (relating to special activities for handicapped children);

"(D) not to exceed 5 per centum of the total amount available for carrying out such part A, which shall be made available under section 513(f)(3) of such part (relating to model programs).

"(2) The Secretary shall allocate the remainder of the amount available for part A of this title (after making the reservations provided for in paragraph (1) of this subsection) among the States so as to provide the following geographical distribution:

"(A) 50 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 50 per centum as the number of economically disadvantaged children through age 14 in the State, excluding those children in the State who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection, bears to the number of economically disadvantaged children in all the States, excluding those children in all the States who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection;

"(B) 25 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 25 per centum as the number of children through age 5 in the State, excluding those children in the State who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection, bears to the number of children through age 5 in all the States, excluding those children in all the States who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection;

"(C) 25 per centum thereof so that the amount allotted for use within each State bears the same ratio to such 25 per centum as the number of children of working mothers and single parents in the State, excluding those children in the State who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection, bears to the total number of children of working mothers and single parents in all the States, excluding those children in all the States who are eligible for services funded under clauses (A) and (B) of paragraph (1) of this subsection.

"(c) Not to exceed 5 per centum of the total funds allotted for use within a State pursuant to subsection (b)(2) may be made available for grants to the State to carry out the provisions of section 517 of this title.

"(d) The Secretary shall apportion the remainder of the amount allotted for use within each State (after making allocations under subsection (c)) among the localities in each such State so as to provide the following geographical distribution:

"(1) 50 per centum thereof so that the amount apportioned to each locality bears the same ratio to such 50 per centum as the number of economically disadvantaged children through age 14 in the area served by the locality bears to the number of economically disadvantaged children in the State;

"(2) 25 per centum thereof so that the amount apportioned to each locality bears the same ratio to such 25 per centum as the number of children through age 5 in the area served by the locality bears to the number of children through age 5 in the State;

"(3) 25 per centum thereof so that the amount apportioned to each locality bears the same ratio to such 25 per centum as the number of children of working mothers and single parents in the area served by the locality bears to the number of children of working mothers and single parents in the State.

"(e) The portion of any allotment or apportionment under subsection (b) or (d) for a fiscal year which the Secretary determines will not be required, for the period for which such allotment or apportionment is available, for carrying out programs under this part shall be available for reallotment or reapportionment from time to time, on such dates during such period as the Secretary shall fix, to other States in the case of allotments under subsection (b), or to other localities in the case of apportionments under subsection (d), in proportion to the original allotments to such States under subsection (b), or the original apportionments to such localities under subsection (d), for such year, but with such proportionate amount for any of such States or localities being reduced to the extent it exceeds the needs of such State or locality for carrying out activities approved under this part, and the total of such reductions shall be similarly reallotted among the States or reapportioned among the localities whose proportionate amounts are not so reduced. Any amount reallotted to a State or reapportioned to a locality under this subsection during a year shall be deemed part of its allotment or apportionment under subsection (b) or (d) for such year.

"(f) In determining the numbers of children for purposes of allotting and apportioning funds under this section, the Secretary shall use the most recent satisfactory data available to him.

"(g) As soon as practicable after funds are appropriated to carry out this title for any fiscal year, the Secretary shall publish in the Federal Register the allotments and apportionments required by this section.

"PART A—COMPREHENSIVE CHILD DEVELOPMENT PROGRAMS

"FINANCIAL ASSISTANCE

"SEC. 511. The Secretary of Health, Education, and Welfare shall provide financial assistance for carrying out child development programs under this part to prime sponsors and to other public and private agencies and organizations pursuant to plans and applications approved in accordance with the provisions of this part.

"USES OF FUNDS

"SEC. 512. Funds available for this part may be used (in accordance with approved applications) for the following services and activities:

"(1) planning and developing child development programs, including the operation of pilot programs to test the effectiveness of new concepts, programs, and delivery systems;

"(2) establishing, maintaining, and operating child development programs, which may include—

"(A) comprehensive physical and mental health, social, and cognitive development services necessary for children participating in the program to profit fully from their educational opportunities and to attain their maximum potential;

"(B) food and nutritional services (including family consultation);

"(C) rental, remodeling, renovation, alteration, construction, or acquisition of facilities, including mobile facilities, and the acquisition of necessary equipment and supplies;

"(D) programs designed (i) to meet the special needs of minority group, Indian, and migrant children with particular emphasis on the needs of children from bilingual families for the development of skills in English and the other language spoken in the home, and (ii) to meet the needs of all children to understand the history and cultural backgrounds of minority groups which belong to their communities and the role of members of such minority groups in the history and cultural development of the Nation and of the region in which they reside;

"(E) a program of daily activities designed to develop fully each child's potential;

"(F) other specially designed health, social, and educational programs (including after school, summer, weekend, vacation, and overnight programs);

"(G) medical, dental, psychological, educational, and other appropriate diagnosis, identification, and treatment of visual, hearing, speech, nutritional, and other physical, mental, and emotional barriers to full participation in child development programs, including programs for preschool and other children who are emotionally disturbed;

"(H) prenatal and other medical services to expectant mothers who cannot afford such services, designed to help reduce malnutrition, infant and maternal mortality, and the incidence of mental retardation and other handicapping conditions, and postpartum and other medical services (including family planning information) to such recent mothers;

"(I) incorporation within child development programs of special activities designed to identify and ameliorate identified physical, mental, and emotional handicaps and special learning disabilities and, where necessary because of the severity of such handicaps, establishing, maintaining, and operating separate child development programs designed primarily to meet the needs of handicapped children, including emotionally disturbed children;

"(J) preservice and inservice education and other training for professional and paraprofessional personnel;

"(K) dissemination of information in the functional language of those to be served to assure that parents are well informed of child development programs available to them and may become directly involved in such programs;

"(L) services, including in-home services, and training in the fundamentals of child development, for parents, older family members functioning in the capacity of parents, youth, and prospective parents;

"(M) use of child advocates, consistent with the provisions of this title, to assist children and parents in securing full access to other services, programs, or activities intended for the benefit of children;

"(N) programs designed to extend comprehensive prekindergarten early childhood education techniques and gains (particularly parent participation) into kindergarten and early primary grades (one through three), in cooperation with local educational agencies, including the use of former assistant Headstart teachers or similar early childhood education teachers as instructional aides (in addition to those employed by the schools involved) working closely with classroom teachers in the kindergarten and such early primary grades in which are enrolled children they taught in Headstart or other early childhood education programs, providing for full participation of parents of the children involved in program planning, implementation, and decision-making and for career development opportunities and advancement through continuing education and training for the instructional aides involved (including teacher salaries, educational stipends for tuition, books, and tutoring, career counseling, arrangements for academic credit for independent study, fieldwork based on their teaching assignments, and preservice and inservice training) and for the classsroom teachers and principals involved; and

"(O) such other services and activities as the Secretary deems appropriate in furtherance of the purposes of this part; and

"(3) staff and other administrative expenses of Child Development Councils established and operated in accordance with this part.

"PRIME SPONSORS OF CHILD DEVELOPMENT PROGRAMS

"SEC. 513. (a) In accordance with the provisions of this section, a State, locality, combination of localities, Indian tribal organization, or public or private nonprofit agency or organization, meeting the requirements of this part may be designated by the Secretary as a prime sponsor for the purpose of entering into arrangements to carry out child development programs under this part, upon the approval by the Secretary of a prime sponsorship plan which—

"(1) describes the prime sponsorship area to be served;

"(2) sets forth satisfactory provisions for establishing and maintaining a Child Development Council which meets the requirements of section 514;

"(3) provides that the Child Development Council shall be responsible for developing and preparing a comprehensive child development plan for each fiscal year and any modifications thereof;

"(4) sets forth arrangements under which the Child Development Council will be responsible for planning, supervising, coordinating, monitoring, and evaluating child development programs in the prime sponsorship area;

"(5) in the case of an applicant which is a State, a locality, or a combination of localities, provides for the operation of programs under this part through contracts with public or private agencies or organizations, including but not limited to community action agencies, single-purpose Headstart agencies, community development corporations, parent cooperatives, organizations of Indians, employer and employee organizations, and local public and private educational agencies and institutions, which will serve children in a community or neighborhood or other area possessing a commonality of interest; and

"(6) provides assurances that, where available, the Council will provide itself, or by contract or other arrangement with State, local, or other public agencies or private nonprofit organizations—

"(A) child-related family, social, and rehabilitative services;

"(B) coordination with educational agencies and providers of educational services;

"(C) health (including family planning) and mental health services;

"(D) nutrition services; and

"(E) training of professional and paraprofessional personnel.

"(b) The Secretary shall approve a prime sponsorship plan submitted by a locality which has a population of 5,000 or more persons and is a (1) city, (2) county, or (3) other unit of general local government, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development programs in the area of such locality. In the event that the area under the jurisdiction of a unit of general local government described in clause (1), (2), or (3) of the preceding sentence includes any common geographical area with that covered by another such unit of general local government, the Secretary shall designate to serve such area the unit of general local government which he determines has the capability of more effectively carrying out the purposes of this part with respect to such area and which has submitted a plan which meets the requirements of this section and includes adequate provisions for carrying out comprehensive child development programs in such area.

"(c)(1) In the event that the Secretary determines that a locality does not meet the requirements for designation as a prime sponsor under this section, he shall take steps to encourage the submission of a prime sponsorship plan, covering the area of such locality, by a combination of localities which are adjoining and possess a sufficient commonality of interest.

"(2) The Secretary shall approve a prime sponsorship plan submitted by a combination of localities, having a total population of 5,000 or more persons, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development programs in the area covered by the combination of such localities.

"(d) The Secretary shall approve a prime sponsorship plan submitted by an Indian tribal organization if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development programs in the area to be served.

"(e) In the event that the Secretary determines, with respect to the area of a particular locality, that a prime sponsorship plan meeting the requirements of this section has not been submitted by a locality or combination of localities covering such area, or by an Indian tribal organization, or in the event that prime sponsorship designation has been disapproved or withdrawn in accordance with subsection (h) of this section, the Secretary may, with respect to the impending fiscal year when no such prime sponsorship designation will be in effect, approve a plan submitted by the State which meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development programs in such area.

"(f) The Secretary may approve a prime sponsorship plan submitted by a public or private nonprofit agency, including but not limited to a community action agency, single-purpose Headstart agency, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, employer organization, labor union, employee or labor-management organization, or public or private educational agency or institution, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes—

"(1) provisions setting forth arrangements for serving children in a neighborhood or other area possessing a commonality of interest in the area of any locality with respect to which there is no prime sponsorship designation in effect or with respect to any portion of an area where the prime sponsor is found not to be satisfactorily implementing child development programs which adequately meet the purposes of this part, or for making available special services, in accordance with criteria established by the Secretary, designed to meet the needs of economically disadvantaged or preschool children or children of working mothers or single parents; or

"(2) arrangements for providing comprehensive child development programs on a year-round basis to children of migrant agricultural workers and their families; or

"(3) arrangements for carrying out model programs especially designed to be responsive to the needs of economically disadvantaged, minority group, or bilingual preschool children.

"(g) The Governor or appropriate State agency shall be given not less than thirty nor more than sixty days to review applications for designation filed by other than the State, offer recommendations to the applicant, and submit comments to the Secretary.

"(h) A prime sponsorship plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons, (2) a reasonable time in which to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(i)(1) If any party is dissatisfied with the Secretary's final action under subsection (h) with respect to the disapproval of its plan submitted under this section or the withdrawal of its prime sponsorship designation, such party may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such party is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

“(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

“(j) When a unit (or combination of units) of general government is maintaining a pattern and practice of exclusion of minorities, the Secretary shall give preference in the approval of applications for prime sponsorship to an alternative unit of government or to a public or private nonprofit agency or organization in the area representing the interests of minority and economically disadvantaged persons.

“(k) In the event that a State, a locality, a combination of localities, or an Indian tribal organization has not submitted a comprehensive child development plan under section 515 or the Secretary has not approved a plan so submitted, or where the Secretary has not designated or has withdrawn designation of prime sponsorship under section 513, or where the needs of migrants, pre-school-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served, the Secretary may directly fund projects, including those in rural areas without regard to population, that he deems necessary in order to serve the children of the particular area.

“CHILD DEVELOPMENT COUNCILS

“SEC. 514. (a) Each prime sponsor designated under section 513 shall establish and maintain a Child Development Council composed of not less than 10 members as follows—

“(1) not less than half of the members of such Council shall be parents of children served in child development programs under this part; and

“(2) the remaining members shall be appointed by the chief executive officer or the governing body, whichever is appropriate, of the prime sponsor to represent the public, but (A) not less than half of such members shall be persons who are broadly representative of the general public, including government agencies, public and private agencies and organizations in such fields as economic opportunity, health, education, welfare, employment and training, business or financial organizations or institutions, labor unions, and employers, and (B) the remaining members, the number of which shall be either equal to or one less than the number of members appointed under clause (A), shall be persons who are particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child services, except that the Secretary may waive the requirement of this clause (B) to the extent that he determines, in accordance with regulations which he shall prescribe, that such persons are not available to the area to be served.

At least one-third of the total membership of the Child Development Council shall be parents who are economically disadvantaged. Each Council shall select its own chairman.

"(b) In accordance with procedures which the Secretary shall establish pursuant to regulations, each prime sponsor designated under section 513 shall provide, with respect to the Child Development Council established and maintained by such prime sponsor, that—

"(1) the parent members described in paragraph (1) of subsection (a) of this section shall be chosen by the membership of Headstart policy committees where they exist, and, at the earliest practicable time, by project policy committees established pursuant to section 516(a)(2) of this part;

"(2) the terms of office and any other policies and procedures of an organizational nature, including nomination and election procedures, are appropriate in accordance with the purposes of this part;

"(3) such Council shall have responsibility for approving basic goals, policies, actions, and procedures for the prime sponsor, including policies with respect to planning, general supervision and oversight, overall coordination, personnel, budgeting, funding of projects, and monitoring and evaluation of projects; and

"(4) such Council shall, upon its own initiative or upon request of a project applicant or any other party in interest, conduct public hearings before acting upon applications for financial assistance submitted by project applicants under this part.

"COMPREHENSIVE CHILD DEVELOPMENT PLANS

"SEC. 515. (a) Financial assistance under this part may be provided by the Secretary for any fiscal year to a prime sponsor designated pursuant to section 513 only pursuant to a comprehensive child development plan which is submitted by such prime sponsor and approved by the Secretary in accordance with the provisions of this part. Any such plan shall set forth a comprehensive program for providing child development services in the prime sponsorship area which—

"(1) identifies all child development needs and goals within the area and describes the purposes for which the financial assistance will be used;

"(2) meets the needs of children in the prime sponsorship area, to the extent that available funds can be reasonably expected to have an effective impact, including infant care and before and after school programs for children in school with priority to children who have not attained six years of age;

"(3)(A) provides that funds received under section 503(a)(1) will be used for child development programs and services focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects by reserving for such projects from such funds in any fiscal year an amount at least equal to the aggregate amount received by public or private agencies and organizations within the prime sponsorship area for programs during the fiscal year ending June 30, 1972, under section 222(a)(1) of the Economic Opportunity Act of 1964, and (B) provides that programs receiving funds under section 503(d) will give priority to providing services for economically disadvantaged children by reserving not less than 65 per centum of the cost of programs receiving such funds for the purpose of serving children of families having an annual income below the lower living standard budget as determined under paragraph (5) of section 571;

"(4) gives priority thereafter to providing child development programs and services to children of single parents and working mothers not covered under paragraph (3);

"(5) provides procedures for the approval of project applications submitted in accordance with section 516;

"(6) provides, in the case of a prime sponsor located within or adjacent to a metropolitan area, for coordination with other prime sponsors located within such metropolitan area, and arrangements for cooperative funding where appropriate, and particularly for such coordination where appropriate to meet the needs for child development services of children of parents working or participating in training or otherwise occupied during the day within a prime sponsorship area other than that in which they reside;

"(7) provides that, to the extent feasible, each program within the prime sponsorship area will include children from a range of socioeconomic backgrounds;

"(8) provides comprehensive services (A) to meet the special needs of minority group children and children of migrant agricultural workers with particular emphasis on the needs of children from bilingual families for development of skills in English and in the other language spoken in the home, and (B) to meet the needs of all children to understand the history and cultural background of minority groups which belong to the communities and the role of members of such minority groups in the history and cultural development of the Nation and the region in which they reside;

"(9) provides equitably for the child development needs of children from each minority group or significant segment of the economically disadvantaged residing within the area served;

"(10) provides, insofar as possible, for coordination of child development programs with other social programs (including but not limited to those relating to employment and manpower) so as to keep family units intact or in close proximity during the day;

"(11) provides for direct parent participation in the conduct, overall direction, and evaluation of programs;

"(12) provides to the extent feasible for the employment as both professionals and paraprofessionals of persons resident in the neighborhoods from which children are drawn;

"(13) includes to the extent feasible a career development plan for paraprofessional and professional training, education, and advancement on a career ladder;

"(14) provides that, insofar as possible, persons residing in communities being served by such projects will receive jobs, including in-home and part-time jobs, and opportunities for training in programs under part B of this title, with special consideration for career opportunities for low-income persons;

"(15) provides for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons in the community are fully informed of the activities of the Child Development Council and of delegate agencies;

"(16) assures that procedures and mechanisms for coordination have been developed in cooperation with preschool program administrators and administrators of local educational agencies and nonpublic schools, at the local level, to provide continuity between programs for preschool and elementary school children and to coordinate programs conducted under this part and programs conducted pursuant to section 222(a)(2) of the Economic Opportunity Act of 1964 and the Elementary and Secondary Education Act of 1965;

"(17) establishes arrangements in the area served for the coordination of programs conducted under the auspices of or with the support of business or financial institutions or organizations, industry, labor, employee and labor-management organizations, and other community groups;

"(18) sets forth provisions describing any arrangements for the delegation, under the supervision of the Child Development Council, to public or private agencies, institutions, or organizations, of responsibilities for the delivery of programs, services, and activities for which financial assistance is provided under this part or for planning or evaluation services to be made available with respect to programs under this part;

"(19) contains plans for regularly conducting surveys and analyses of needs for child development programs in the prime sponsorship area and for submitting to the Secretary a comprehensive annual report and evaluation in such form and containing such information as the Secretary shall require by regulation;

"(20) provides that services for handicapped children, at both the State and local levels, will be used wherever available in programs approved under the plan;

"(21) provides assurances satisfactory to the Secretary that the non-Federal share requirements will be met;

"(22) provides for such fiscal control and funding accounting procedures as the Secretary may prescribe to assure proper disbursement of and accounting for Federal funds paid to the prime sponsor;

"(23) provides that consideration will be given to project applications submitted by public, private nonprofit, and profitmaking organizations with emphasis given to on-going programs, and that comparative costs of providing services shall be considered along with the quality of such services;

"(24) provides that programs or services under this title shall be provided only for children whose parents or legal guardians have requested them; and

"(25) provides assurance that in developing plans for any facilities due consideration will be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than one per centum of the cost of the project).

"(b) No comprehensive child development plan or modification thereof submitted by a prime sponsor under this section shall be approved by the Secretary unless he determines, in accordance with regulations which the Secretary shall prescribe, that—

"(1) each community action agency or single-purpose Headstart agency in the area to be served previously responsible for the administration of programs under this part or under section 222(a)(1) of the Economic Opportunity Act of 1964 has had an opportunity to submit comments to the prime sponsor and to the Secretary;

"(2) the local educational agency for the area to be served and other appropriate educational and training agencies and institutions have had an opportunity to submit comments to the prime sponsor and to the Secretary; and

"(3) the Governor of the State has had an opportunity to submit comments to the prime sponsor and to the Secretary.

"(c) A comprehensive child development plan submitted under this section may be disapproved or a prior approval withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons, (2) a reasonable time to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(d) In order to contribute to the effective administration of this title, the Secretary shall establish appropriate procedures to permit prime sponsors to submit jointly a single comprehensive child development plan for the areas served by such prime sponsors.

"PROJECT APPLICATIONS

"SEC. 516. (a) Financial assistance under this part may be provided to a project applicant for any fiscal year only pursuant to a project application which is submitted by a public or private agency and which provides—

"(1) that funds will be provided for carrying out any child development program under this part only to a qualified public or private agency or organization, including but not limited to a community action agency, single-purpose Headstart agency, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, private organization interested in child development, employer or business organization, labor union, employee or labor-management organization, or public or private educational agency or institution;

"(2) for establishing and maintaining project policy committees composed of not less than 10 members as follows—

"(A) not less than half of the members of each such committee shall be parents of children served by such project, and

"(B) the remaining members of each such committee shall consist of (i) persons who are representative of the community and who are approved by the parent members, and (ii) at least one person who is particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child services, except that the Secretary may waive the requirement of this clause (ii) where he determines, in accordance with regulations which he shall prescribe, that such person is not available to the area to be served;

"(3) for direct participation of such policy committees in the development and preparation of project applications under this part;

"(4) that adequate provision will be made for training and other administrative expenses of such policy committees (including necessary expenses to enable low-income members to participate in council or committee meetings);

"(5) that project policy committees shall have responsibility for approving basic goals, policies, actions, and procedures for the project applicant, including policies with respect to planning overall conduct, personnel, budgeting, location of centers and facilities, and direction and evaluation of projects;

"(6) that programs assisted under this part will provide for such comprehensive health, nutritional, education, social, and other services, as are necessary for the full cognitive, emotional, and physical development of each participating child;

"(7) that adequate provision will be made for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons are fully informed of project activities;

"(8) that with respect to child development services provided by programs assisted under this part—

"(A) no charge will be made with respect to any child who is a member of any family with an annual income equal to or less than $4,320 with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party (including a public agency); and

"(B) such charges as the Secretary may provide will be made with respect to any child of any other family, in accordance with an appropriate fee schedule established by him, based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget (as determined in accordance with paragraph (5) of section 571) shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds the highest income level at which no charges would be made with respect to children of such family under subparagraph (A) but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget, and, if more than two children from the same family are participating, additional charges may be made not to exceed the sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each such additional child;

"(9) that children will in no case be excluded from the programs operated pursuant to this part because of their participation in nonpublic preschool or school programs or because of the intention of their parents to enroll them in nonpublic schools when they attain school age;

"(10) that programs will, to the extent appropriate, employ paraprofessional aides and volunteers, especially parents, older children, students, older persons, and persons preparing for careers in child development programs;

"(11) that no person will be denied employment in any program solely on the ground that he fails to meet State or local teacher certification standards;

"(12) that programs assisted under this part will provide for the utilization of personnel, including paraprofessional and volunteer personnel, adequate to meet the specialized needs of each participating child;

"(13) that there are assurances satisfactory to the Secretary that the non-Federal share requirements will be met; and

"(14) that provision will be made for such fiscal control and fund accounting procedures as the Secretary shall prescribe to assure proper disbursement of and accounting for Federal funds.

"(b) A project application may be approved by a prime sponsor upon its determination that such application meets the requirements of this section and that the programs provided for therein will otherwise further the objectives and satisfy the appropriate provisions of the prime sponsor's comprehensive child development plan as approved pursuant to section 515.

"(c) A project application from a public or private nonprofit agency which is also a prime sponsor under section 513(f) shall be submitted directly to the Secretary, together with the comprehensive child development plan.

"(d) A project application submitted directly to the Secretary by a public or private agency may be approved by the Secretary upon his determination that it meets the requirements of subsection (a) of this section.

"SPECIAL GRANTS TO STATES

"SEC. 517. Upon application submitted by any State, the Secretary is authorized to provide financial assistance for use by such State for carrying out activities for the purposes of—

"(1) identifying child development goals and needs within the State;

"(2) assisting in the establishment of Child Development Councils and strengthening the capability of such Councils to effectively plan, supervise, coordinate, monitor, and evaluate child development programs;

"(3) encouraging the cooperation and participation of State agencies in providing child development and related services, including health, family planning, mental health, education, nutrition, and family, social and rehabilitative services where requested by appropriate prime sponsors in the development and implementation of comprehensive child development plans;

"(4) encouraging the full utilization of resources and facilities for child development programs within the State;

"(5) disseminating the results of research on child development programs;

"(6) conducting programs for the exchange of personnel involved in child development programs within the State;

"(7) assisting public and private nonprofit agencies and organizations in the acquisition or improvement of facilities for child development programs;

"(8) assessing State and local licensing codes as they relate to child development programs within the State; and

"(9) developing information useful in reviewing prime sponsorship plans under section 513(g) and comprehensive child development plans under section 515(b)(3).

"ADDITIONAL CONDITIONS FOR PROGRAMS INCLUDING CONSTRUCTION

"SEC. 518. (a) Applications for financial assistance for projects including construction may be approved only if the Secretary determines that construction of such facilities is essential to the provision of adequate child development services, and that rental, renovation, remodeling, or leasing of adequate facilities is not practicable.

"(b) If any facility assisted under this part shall cease to be used for the purposes for which it was constructed, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds, unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

"(c) All laborers and mechanics employed by contractors or subcontractors on all construction, remodeling, renovation, or alteration projects assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(d) In the case of loans for construction, the Secretary shall prescribe the interest rate and the period within which such loan shall be repaid, but such interest rates shall not be less than 3 per centum per annum and the period within which such loan is to be repaid shall not be more than twenty-five years.

"(e) The Federal assistance for construction may be in the form of grants or loans, provided that total Federal funds to be paid to other than public or private nonprofit agencies and organizations will not exceed 50 per centum of the construction cost, and will be in the form of loans. Repayment of loans shall, to the extent required by the Secretary, be returned to the prime sponsor from whose financial assistance the loan was made, or used for additional loans or grants under this title. Not more than 15 per centum of the total financial assistance provided to a prime sponsor under this part shall be used for construction of facilities, with no more than 7½ per centum of such assistance usable for grants for construction.

"(f) In the case of a project for the construction of facilities and in the development of plans for such facilities due consideration shall be given to excellence of architecture and design and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"USE OF PUBLIC FACILITIES FOR CHILD DEVELOPMENT PROGRAMS

"Sec. 519. (a) The Secretary, after consultation with other appropriate officials of the Federal Government, shall within sixteen months after enactment of this title report to the Congress with respect to the extent to which facilities owned or leased by Federal departments, agencies, and independent authorities could be made available to public and private nonprofit agencies and organizations, through appropriate arrangements, for use as facilities for child development programs under this title during times and periods when not utilized fully for their usual purposes, together with his recommendations (including recommendations for changes in legislation) or proposed actions for such use.

"(b) The Secretary may require, as a condition to the receipt of assistance under this part, that any prime sponsor under this part agree to conduct a review and provide the Secretary with a report as to the extent to which facilities owned or leased by such prime sponsor, or by other agencies in the prime sponsorship area, could be made available, through appropriate arrangements, for use as facilities for child development programs under this title during times and periods when not utilized fully for their usual purposes, together with the prime sponsor's proposed actions for such use.

"PAYMENTS

"Sec. 520. (a) In accordance with this section, the Secretary shall pay from the applicable allocation or apportionment under section 503 the Federal share of the costs of programs, services, and activities, in accordance with plans or applications which have been approved as provided in this part. In making such payment to any prime sponsor, the Secretary shall include in such costs an amount for staff and other administrative expenses for the Child Development Council not to exceed an amount which is reasonable when compared with such costs for other prime sponsors.

"(b)(1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary shall pay an amount not in excess of 80 per centum of the cost of carrying out programs, services, and activities under this part. The Secretary may, in accordance with such regulations as he shall prescribe, approve assistance in excess of such percentage if he determines that such action is required to provide adequately for the child development needs of economically disadvantaged children.

"(2) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child development programs for children of migrant agricultural workers and their families under this part.

"(3) The Secretary shall pay to each prime sponsor approved under section 513(d) an amount equal to 100 per centum of the costs of providing child development programs for children in Indian tribal organizations.

"(c) The non-Federal share of the costs of programs assisted under this part may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, or union or employer contributions. Fees collected for services provided pursuant to section 516(a)(8) shall not be used to make up the non-Federal share, but shall be used by the project applicant for the same purposes as payments under this section, except that, in the case of projects assisted under a comprehensive child development plan, such fees shall be turned over to the appropriate prime sponsor for distribution in the same manner as the prime sponsor's allocation under section 515(a)(3).

"(d) If, with respect to any fiscal year, a prime sponsor or project applicant provides non-Federal contributions for any program, service, or activity exceeding its requirements, such excess may be applied toward meeting the requirements for such contributions for the subsequent fiscal year under this part.

"(e) No State or locality shall reduce its expenditures for child development or day-care programs by reason of assistance under this part.

"PART B—TRAINING, TECHNICAL ASSISTANCE, PLANNING, AND EVALUATION

"PRESERVICE AND INSERVICE TRAINING

"SEC. 531. The Secretary is authorized to make payments to provide financial assistance to enable individuals employed or preparing for employment in child development programs assisted under this title, including volunteers, to participate in programs of preservice or inservice training for professional and nonprofessional personnel, to be conducted by any agency carrying out a child development program, or any institution of higher education, including a community college, or by any combination thereof.

"TECHNICAL ASSISTANCE AND PLANNING

"SEC. 532. The Secretary shall, directly or through grant or contract, make technical assistance available to prime sponsors and to project applicants participating or seeking to participate in programs assisted under this title on a continuing basis to assist them in planning, developing, and carrying out child development programs.

"EVALUATION

"SEC. 533. (a) The Secretary shall, through the Office of Child Development unless the Secretary determines otherwise, make an evaluation of Federal involvement in child development activities and services, which shall include—

"(1) enumeration and description of all Federal activities which affect child development;

"(2) analysis of expenditures of Federal funds for such activities and services;

"(3) determination of the effectiveness of such activities and services;

"(4) the extent to which preschool, minority group, and economically disadvantaged children and their parents have participated in programs under this title; and

"(5) such recommendations to the Congress as the Secretary may deem appropriate.

"(b) The results of the evaluation required by subsection (a) of this section shall be reported to the Congress not later than eighteen months after the date of enactment of this title.

"(c) The Secretary shall establish such procedures as may be necessary to conduct an annual evaluation of Federal involvement in child development programs, and shall report the results of each such evaluation to Congress.

"(d) Prime sponsors and project applicants assisted under this title and departments and agencies of the Federal Government shall, upon request by the Secretary, make available, consistent with other provisions of law, such information as the Secretary determines is necessary for purposes of making the evaluation required under subsection (c) of this section.

"(e) The Secretary may enter into contracts with public or private agencies, organizations, or individuals to carry out the provisions of this section.

"(f) The Secretary shall reserve for the purposes of this section not less than 1 per centum, and may reserve for such purposes not more than 2 per centum, of the amounts available under paragraphs (2) and (3) of section 503(a) of this title for any fiscal year.

"FEDERAL STANDARDS FOR CHILD DEVELOPMENT SERVICES

"SEC. 534. (a) Within six months after the enactment of the Economic Opportunity Amendments of 1971, the Secretary shall, after consultation with other Federal agencies and with the Committee established pursuant to subsection (c) of this section, promulgate a common set of program standards which shall be applicable to all programs providing child development services with Federal assistance under this title, to be known as the Federal Standards for Child Development Services. If the Secretary disapproves the Committee's recommendations, he shall state the reasons therefor.

"(b) Such standards shall be no less comprehensive than the Federal Interagency Day Care Requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968.

"(c) The Secretary shall, within sixty days after enactment of this title, appoint a Special Committee on Federal Standards for Child Development Services, which shall include parents of children enrolled in child development programs, representatives of public and private agencies and organizations administering child development programs, specialists, and others interested in the development of children. Not less than one-half of the membership of the Committee shall consist of parents of children participating in programs conducted under part A of this title and section 222(a)(1) of this Act and title IV of the Social Security Act. Such Committee shall participate in the development of Federal Standards for Child Development Services and modifications thereof as provided in subsection (a).

"DEVELOPMENT OF UNIFORM MINIMUM CODE FOR FACILITIES

"SEC. 535. (a) The Secretary shall, within sixty days after enactment of the Economic Opportunity Amendments of 1971, appoint a special committee to develop a uniform minimum code for facilities, to be used in licensing child development facilities. Such standards shall deal principally with those matters essential to the health, safety, and physical comfort of the children and the relationship of such matters to the Federal Standards for Child Development Services under section 534.

"(b) The special committee appointed under this section shall include parents of children participating in child development programs and representatives of State and local licensing agencies, public health officials, fire prevention officials, the construction industry and unions, public and private agencies or organizations administering child development programs, and national agencies or organizations interested in the development of children. Not less than one-half of the membership of the committee shall consist of parents of children enrolled in programs conducted under part A of this title and section 222(a)(1) of this Act and title IV of the Social Security Act.

"(c) Within one year after its appointment, the special committee shall complete a proposed uniform minimum code for facilities and shall hold public hearings on the proposed code prior to submitting its final recommendation to the Secretary for his approval.

"(d) After considering the recommendations submitted by the special committee in accordance with subsection (c), the Secretary shall promulgate standards which shall be applicable to all facilities receiving Federal financial assistance under this title or in which programs receiving Federal financial assistance under this title are operated. If the Secretary disapproves the committee's recommendations, he shall state the reasons therefor. The Secretary shall also distribute such standards and urge their adoption by States and local governments. The Secretary may from time to time modify the uniform code for facilities in accordance with procedures set forth in this section.

"Part C—Facilities for Child Development Programs

"MORTGAGE INSURANCE FOR CHILD DEVELOPMENT FACILITIES

"Sec. 541. (a) It is the purpose of this part to assist and encourage the provision of urgently needed facilities for child care and child development programs.

"(b) For the purpose of this part—

"(1) The term 'child development facility' means a facility of a public or private profit or nonprofit agency or organization, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the provision of child development programs.

"(2) The terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary of Health, Education, and Welfare is authorized to insure any mortgage which covers a new child development facility, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary of Health, Education, and Welfare, who demonstrate ability successfully to operate one or more child care or child development programs. The Secretary of Health, Education, and Welfare may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary of Health, Education, and Welfare may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Child Development Facility Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary of Health, Education, and Welfare under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the child development facility, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary of Health, Education, and Welfare shall prescribe, and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary of Health, Education, and Welfare finds necessary to meet the mortgage market.

"(4) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has determined that the child development facility to be covered by the mortgage will be in compliance with the Uniform Minimum Code for Facilities approved by the Secretary pursuant to section 535.

"(5) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has also received from the prime sponsor designated under part A of this title a certificate that the facility is consistent with and will not hinder the execution of the prime sponsor's plan.

"(6) In the plans for such child development facility, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(e) The Secretary of Health, Education, and Welfare shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Child Development Facility Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary of Health, Education, and Welfare is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The Secretary of Health, Education, and Welfare may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(g)(1) The Secretary of Health, Education, and Welfare shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

"(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Child Development Facility Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare.

"(h)(1) There is hereby created a Child Development Facility Insurance Fund which shall be used by the Secretary of Health, Education, and Welfare as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Child Development Facility Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Child Development Facility Insurance Fund.

"(3) Moneys in the Child Development Facility Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary of Health, Education, and Welfare may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Child Development Facility Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary of Health, Education, and Welfare in connection therewith, and all earnings on the assets of the fund, shall be credited to the Child Development Facility Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

"(5) There are authorized to be appropriated to provide initial capital for the Child Development Facility Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

"PART D—FEDERAL GOVERNMENT CHILD DEVELOPMENT PROGRAMS

"PROGRAM AUTHORIZED

"SEC. 546. (a) The Secretary is authorized to make grants for the purpose of establishing and operating child development programs (including the lease, rental, or construction of necessary facilities and the acquisition of necessary equipment and supplies) for the children of employees of the Federal Government.

"(b) Employees of any Federal agency or group of such agencies employing eighty or more working parents of young children who desire to participate in the grant program under this part shall—

"(1) designate or create for the purpose an agency commission, the membership of which shall be broadly representative of the working parents employed by the agency or agencies; and

"(2) submit to the Secretary a plan approved by the official in charge of such agency or agencies, which—

"(A) provides that the child development program shall be administered under the direction of the agency commission;

"(B) provides that the program will meet the Federal interagency standards for child development;

"(C) provides a means of determining priority of eligibility among parents wishing to use the services of the program;

"(D) provides for a scale of fees based upon the parents' financial status; and

"(E) provides for competent management, staffing, and facilities for such program.

"(c) The Secretary shall not make payments under this section unless he has received approval of the plan from the official in charge of the agency whose employees will be served by the child development program.

"PAYMENTS

"Sec. 547. (a) Not more than 80 per centum of the total cost of child development programs under this part shall be paid from Federal funds available under this title.

"(b) The share of the total cost not available under paragraph (a) may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, fees collected from parents, or union or employer contributions.

"(c) If, in any fiscal year, a program under this part provides non-Federal contributions exceeding its requirements under this section, such excess may be used to meet the requirements for such contributions for the succeeding fiscal year.

"(d) In making grants under this part, the Secretary shall, insofar as is feasible, distribute funds among the States according to the same ratio as the number of Federal employees in that State bears to the total number of Federal employees in the United States.

"Part E—Research and Demonstration

"DECLARATION OF PURPOSES

"Sec. 551. The purposes of this part are to focus national research efforts to attain a fuller understanding of the processes of child development and the effects of organized programs upon these processes; to develop effective programs for research into child development; and to assure that the result of research and development efforts are reflected in the conduct of programs affecting children through the improvement and expansion of child development and related programs.

"RESEARCH AND DEMONSTRATION PROJECTS

"Sec. 552. (a) In order to further the purposes of this part, the Secretary shall carry out a program of research and demonstration projects, which shall include but not be limited to—

"(1) research to determine the nature of child development processes and the impact of various influences upon them, to develop techniques to measure and evaluate child development, to develop standards to evaluate professional and paraprofessional child development personnel, and to determine how child development and related programs conducted in either home or institutional settings affect child development processes;

"(2) research to test alternative methods of providing child development and related services, and to develop and test innovative approaches to achieve maximum development of children and programs for training adolescent youth in child development;

"(3) evaluation of research findings and the development of these findings and the effective application thereof;

"(4) dissemination and application of research and development efforts and demonstration projects to child development and related programs and early childhood education, using regional demonstration centers and advisory services where feasible;

"(5) production of informational systems and other resources necessary to support the activities authorized by this part; and

"(6) integration of national child development research efforts into a focused national research program, including the coordination of research and development conducted by other agencies, organizations, and individuals.

"(b) In order to carry out the program provided for in subsection (a), the Secretary is authorized to make grants to or enter into contracts or other arrangements with public or private nonprofit agencies (including other Government agencies), organizations, and institutions, and to enter into contracts with private agencies, organizations, institutions, and individuals.

"COORDINATION OF RESEARCH

"Sec. 553. (a) Funds available to any Federal department or agency for the purposes stated in section 551 or the activities stated in section 552(a) shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part, to the Secretary for such use as is consistent with the purposes for which such funds were provided, and the funds so transferred shall be expendable by the Secretary for the purposes for which the transfer was made.

"(b) The Secretary shall coordinate, through the Office of Child Development, established under section 572 of this title, all child development research, training, and development efforts conducted within the Department of Health, Education, and Welfare and, to the extent feasible, by other agencies, organizations, and individuals.

"(c) A Child Development Research Council, consisting of a representative of the Office of Child Development established under section 572 of this title (who shall serve as chairman), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Office of Economic Opportunity, the Department of Labor, and other appropriate agencies, shall meet at least annually and at such more frequent times as they may deem necessary, in order to assure coordination of child development and related activities under their respective jurisdictions and to carry out the provisions of this part so as to assure—

"(1) maximum utilization of available resources through the prevention of duplication of activities;

"(2) a division of labor, insofar as is compatible with the purposes of each of the agencies or authorities specified in this paragraph, to assure maximum progress toward the achievement of the purposes of this part; and

"(3) recommendation of priorities for federally funded research and development activities related to the purposes of this part and those stated in section 501.

"ANNUAL REPORT

"SEC. 554. The Secretary shall make an annual report to Congress summarizing his activities and accomplishments during the preceding year under this part; the grants, contracts, or other arrangements entered into during the preceding year under this part, and making such recommendations as he may deem appropriate.

"PART F—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 571. As used in this title, the term—

"(1) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(2) 'State' means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(3) 'child development programs' means programs provided on a full-day or part-day basis which provide the educational, nutritional, social, medical, psychological, and physical services needed for children to attain their full potential;

"(4) 'children' means individuals who have not attained the age of fifteen;

"(5) 'economically disadvantaged children' means any children of a family having an annual income below the lower living standard budget (adjusted for regional and metropolitan, urban, and rural differences, and family size), as determined annually by the Bureau of Labor Statistics of the Department of Labor;

"(6) 'handicapped children' includes mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children or children with specific learning disabilities who by reason thereof require special education and related services;

"(7) 'program' includes any program, service, or activity, which is conducted full or part time, day or night, in child development facilities, in schools, in neighborhood centers, or in homes, or which provides child development services for children whose parents are working or receiving education or training;

"(8) 'locality' means any city or other municipality or any county or other political subdivision of a State having general governmental powers, or any combination thereof;

"(9) 'parent' means any person who has day-to-day parental responsibility for any child;

"(10) 'single parent' means any person who has sole day-to-day responsibility for any child;

"(11) 'working mother' means any mother who requires child development services under this title in order to undertake or continue full- or part-time work, training, or education outside her home;

"(12) 'minority group' includes, but is not limited to, persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, or Oriental, and, as determined by the Secretary, children who are from environments in which a dominant language is other than English and who, as a result of language barriers, do not have an equal educational opportunity, and, for the purpose of this paragraph, Spanish-surnamed Americans include persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry;

"(13) 'bilingual' includes, but it not limited to, persons who are Spanish surnamed, American Indian, Oriental, Portuguese, or others who have learned during childhood to speak the language of the minority group of which they are members and who, as a result of language barriers, do not have an equal educational opportunity;

"(14) 'local educational agency' means any such agency as defined in section 801(f) of the Elementary and Secondary Education Act of 1965;

"(15) 'institution of higher education' means any such institution as defined in section 1201(a) of the Higher Education Act of 1965.

"OFFICE OF CHILD DEVELOPMENT

"SEC. 572. The Secretary shall take all necessary action to coordinate child development programs under his jurisdiction. To this end, he shall establish within the Department of Health, Education, and Welfare an Office of Child Development, administered by a Director, which shall be the principal agency of the Department for the administration of this title and for the coordination of programs and other activities relating to child development.

"NUTRITION SERVICES

"SEC. 573. In accordance with the purposes of this title, the Secretary of Health, Education, and Welfare shall establish procedures to assure that adequate nutrition services will be provided in child development programs under this title. Such services shall make use of the Special Food Service Program for children as defined under section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, to the fullest extent appropriate and consistent with the provisions of such Acts.

"SPECIAL PROVISIONS

"SEC. 574. (a) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this title, as he may deem necessary to carry out the provisions of this title, including necessary adjustments in payments on account of overpayments or underpayments. Subject to the provisions of section 575, the Secretary may also withhold funds otherwise payable under this title in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this title or any term or condition of assistance under this title.

"(b) The Secretary shall prescribe regulations to assure that programs under this title have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

"(c) The Secretary shall not provide financial assistance for any program, service, or activity under this title unless he determines that persons employed thereunder, other than persons who serve without compensation, shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 (29 U.S.C. 206), if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

"(d) The Secretary shall not provide financial assistance for any program under this title which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be engaged, in any way or to any extent, in the conduct of political activities in contravention of section 603 of this Act.

"(e) The Secretary shall not provide financial assistance for any program under this title unless he determines that no funds will be used for and no person will be employed under the program on the construction, operation, or maintenance of so much of any facility as is for use for sectarian instruction or as a place for religious worship.

"(f) A child participating in a program assisted under this title shall not be required to undergo medical or psychological examination (except to the extent related to learning ability), immunization (except to the extent necessary to protect the public from epidemics of contagious diseases), or treatment, if his parent or guardian objects thereto in writing on religious grounds.

"WITHHOLDING OF GRANTS

"SEC. 575. Whenever the Secretary, after reasonable notice and opportunity for a hearing for any prime sponsor or project applicant, finds—

"(1) that there has been a failure to comply substantially with any requirement set forth in the plan of any such prime sponsor approved under section 515; or

"(2) that there has been a failure to comply substantially with any requirement set forth in the application of any such project applicant approved pursuant to section 516; or

"(3) that in the operation of any program or project carried out by any such prime sponsor or project applicant under this title there is a failure to comply substantially with any applicable provision of this title or regulation promulgated thereunder;

the Secretary shall notify such prime sponsor or project applicant of his findings and that no further payments may be made to such sponsor or applicant under this title (or in his discretion that any such prime sponsor shall not make further payments under this title to specified project applicants affected by the failure) until he is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Secretary may authorize the continuation of payments with respect to any project assisted under this title which is being carried out pursuant to such plan or application and which is not involved in the noncompliance.

"ADVANCE FUNDING

"SEC. 576. (a) For the purpose of affording adequate notice of funding available under this title such funding for grants, contracts, or other payments under this title is authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"(b) In order to effect a transition to the advance funding method of timing appropriation action, subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"PUBLIC INFORMATION

"SEC. 577. Applications for designation as prime sponsors, comprehensive child development plans, project applications, and all written material pertaining thereto shall be made readily available without charge to the public by the prime sponsor, the applicant, and the Secretary.

"FEDERAL CONTROL NOT AUTHORIZED

"SEC. 578. No department, agency, officer, or employee of the United States shall, under authority of this title, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

"NONDISCRIMINATION PROVISIONS

"SEC. 579. (a) The Secretary shall not provide financial assistance for any program under this title unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this title. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights of Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if on the ground of sex that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program or activity receiving assistance under this title.

"LIMITATION ON RESEARCH AND EXPERIMENTATION

"SEC. 580. The Secretary is directed to establish appropriate procedures to ensure that no child shall be the subject of any research or experimentation under this title other than routine testing and normal program evaluation unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

"PARENTAL RESPONSIBILITY

"SEC. 581. Nothing in this title shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. Nor shall any section of this title be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law."

(b) In order to achieve, to the greatest degree feasible, the consolidation and coordination of programs providing child development services, while assuring continuity of existing programs during transition to the programs authorized under this title, the Economic Opportunity Act of 1964 is amended, effective July 1, 1973, as follows:

(1) Section 222(a)(1) of such Act is repealed.

(2) Section 162(b) of such Act is amended by striking out "day care for children" and inserting in lieu thereof "assistance in securing child development services for children but not operation of child development programs for children".

(3) Section 123(a)(6) of such Act is amended by striking out "day care for children" and inserting in lieu thereof "assistance

in securing child development services for children", and adding after the word "employment" the phrase "but not including the direct operation of child development programs for children".

(4) Section 312(b)(1) of such Act is amended by striking out "day care for children,".

(c) The Secretary of Health, Education, and Welfare shall promulgate regulations to assure that other federally funded child development and related programs, including title I of the Elementary and Secondary Education Act of 1965 and section 222(a)(2) of the Economic Opportunity Act of 1964, will coordinate with the programs designed under this title. The Secretary shall insure that joint technical assistance efforts will result in the development of coordinated efforts between the Office of Education and the Office of Child Development.

(d)(1) Section 203(j)(1) of the Federal Property and Administrative Services Act of 1949 is amended by striking out "or civil defense" and inserting in lieu thereof "civil defense, or the operation of child development facilities".

(2) Section 203(j)(3) of such Act is amended—

(A) by striking out, in the first sentence, "or public health" and inserting in lieu thereof "public health, or the operation of child development facilities",

(B) by inserting after "handicapped," in clause (A) and clause (B) of the first sentence the following: "child development facilities,", and

(C) by inserting after "public health purposes" in the second sentence the following: ", or for the operation of child development facilities,"

(3) Section 203(j) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) The term 'child development facility' means any such facility as defined in 541(b)(1) of the Economic Opportunity Act of 1964."

(e) Section 205(b)(3) of the National Defense Education Act of 1958 is amended (1) by adding after the word "nonprofit" the phrase "child development program or" and (2) by striking out "and (C)" and inserting in lieu thereof "(C) such rate shall be 15 per centum for each complete academic year or its equivalent (as so determined by regulations) of service as a full-time teacher in public or private nonprofit child development programs or in any such programs assisted under title V of the Economic Opportunity Amendments of 1971, and (D)".

PLAN REPORTING DATE

SEC. 14. Section 632(3) of the Economic Opportunity Act of 1964 is amended by inserting at the end thereof the following: "Such plan shall be presented to the Congress no later than March 1, 1972, and the documents updating such plan shall be presented to the Congress no later than January 31 of each succeeding calendar year."

GUIDELINES

SEC. 15. Part B of title VI of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new section:

"GUIDELINES

"SEC. 639. All rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date."

COMMUNITY ECONOMIC DEVELOPMENT

SEC. 16. (a) The Economic Opportunity Act is amended by inserting immediately after title VI the following new title:

"TITLE VII—COMMUNITY ECONOMIC DEVELOPMENT

"STATEMENT OF PURPOSE

"SEC. 701. The purpose of this title is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at-large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits.

"PART A—SPECIAL IMPACT PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 711. The purpose of this part is to establish special programs of assistance to private locally initiated community development corporations and related nonprofit agencies or organizations conducting activities which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration, and (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this title.

"ESTABLISHMENT OF PROGRAMS

"SEC. 712. (a) The Director is authorized to provide financial assistance to community development corporations and to nonprofit agencies in conjunction with qualifying community development corporations for the payment of all or part of the costs of programs which are designed to carry out the purposes of this part. Such programs shall be restricted in number so that each is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include—

"(1) economic and business development programs, including programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the areas served so as to provide employment and ownership opportunities for residents of such areas, and programs including those described in title IV of this Act for small businesses in or owned by residents of such areas;

"(2) community development and housing activities which create new training, employment, and ownership opportunities and which contribute to an improved living environment; and

"(3) manpower training programs for unemployed or low-income persons which support and complement economic, business, housing, and community development programs, including without limitation activities such as those described in part B of title I of this Act.

"(b) The Secretary shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

"REQUIREMENTS FOR FINANCIAL ASSISTANCE

"Sec. 713. (a) The Director, under such regulations as he may establish, shall not provide financial assistance for any program or component project under this part unless he determines that—

"(1) such community development corporation is responsive to residents of the area under guidelines established by the Director;

"(2) all projects and related facilities will, to the maximum feasible extent, be located in the area served;

"(3) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses and housing by residents of the area served:

"(4) projects will be planned and carried out with the maximum participation of local businessmen and financial institutions and organizations by their inclusion on program boards of directors, advisory councils, or through other appropriate means;

"(5) the program will be appropriately coordinated with local planning under this Act, the Demonstration Cities and Metropolitan Development Act of 1966, and with other relevant planning for physical and human resources of the areas served;

"(6) the requirements of subsections 122(e) and 124(a) of this Act have been met;

"(7) preference will be given to low income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and

"(8) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas, other than those for which programs are established under this part.

"(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in an increase in unemployment in the area of original location.

"(c) The level of financial assistance for related purposes under this Act to the area served by a special impact program shall not be diminished in order to substitute funds authorized by this part.

"APPLICATION OF OTHER FEDERAL RESOURCES

"Sec. 714. (a) Small Business Administration Programs.—

"(1) Funds granted under this part which are invested, directly or indirectly, in a small business investment company or a local development company shall be included as 'private paid-in capital and paid-in surplus,' 'combined paid-in capital and paid-in surplus,' and 'paid-in capital' for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

"(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1971, the Administrator of the Small Business Administration, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to ensure the availability to community development corporations of such programs as shall further the purposes of this part.

"(b) Economic Development Administration Programs.—

"(1) Areas selected for assistance under this part shall be deemed 'redevelopment areas' within the meaning of section 401 of the Public Works and Economic Development Act of 1965, and shall qualify for assistance under the provisions of title I and title II of that Act and shall be deemed to fulfill the overall economic development planning requirements of section 202(b)(10) thereof.

"(2) Within ninety days of the enactment of the Economic Opportunity Amendments of 1971, the Secretary of Commerce, after consultation with the Director, shall prescribe such regulations as may be necessary and appropriate to ensure the availability to community development corporations of such programs as shall further the purposes of this part.

"(c) Programs of the Department of Housing and Urban Development.—The Secretary of Housing and Urban Development, after consultation with the Director, shall take all necessary steps (1) to assure that community development corporations assisted under this part, or their subsidiaries, shall qualify as sponsors under section 106 of the Housing and Urban Development Act of 1968, and sections 221, 235, and 236 of the National Housing Act of 1949; (2) to assure that land for housing and business location and expansion is made available under title I of the Housing Act of 1949 as may be necessary to carry out the purposes of this part; and (3) to assure that funds are available under section 701(b) of the Housing Act of 1954 to community development corporations assisted under this part.

"(d) Coordination and Cooperation.—The Director shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this part.

"(e) REPORTING ON OTHER FEDERAL RESOURCES.—On or before six months after the date of enactment of the Economic Opportunity Amendments of 1971, and annually thereafter, the Director shall submit to the Congress a detailed report setting forth a description of all Federal agency programs which he finds relevant to achieving the purposes of this part and the extent to which such programs have been made available to community development corporations receiving financial assistance under this part including specifically the availability and effectiveness of programs referred to in subsections (a), (b), and (c) of this section. Where appropriate, the report required under this subsection also shall contain recommendations for the more effective utilization of Federal agency programs for carrying out the purposes of this part.

"FEDERAL SHARE

"SEC. 715. Federal grants to any program carried out pursuant to this part, including grants used by community development corporations for capital investments, shall (1) not exceed 90 per centum of the cost of such program including costs of administration unless the Director determines that assistance in excess of such percentage is required in furtherance of the purposes of this part, and (2) be made available for deposit to the grantee, under conditions which the Director deems appropriate, within thirty days following approval by the Director and the local community development corporation of the grant agreement. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. Capital investments made with funds granted as a result of the Federal share of the costs of programs carried out under this part, and the proceeds from such capital investments, shall not be considered Federal property.

"PART B—RURAL PROGRAMS

"STATEMENT OF PURPOSE

"SEC. 721. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterprise.

"FINANCIAL ASSISTANCE

"SEC. 722. (a) The Director is authorized to provide financial assistance, including loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time, to any low-income rural family where, in the judgment of the Director, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of such families, or, in the case of the elderly, will contribute to the improvement of their living or housing conditions, by assisting or permitting them to—

"(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

"(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment; or

"(3) participate in cooperative associations, or to finance non-agricultural enterprises which will enable such families to supplement their income.

"(b) The Director is authorized to provide financial assistance to local cooperative associations in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative farming, purchasing, marketing, and processing programs. Costs which may be defrayed shall include but not be limited to—

"(1) administrative costs of staff and overhead;

"(2) costs of planning and developing new enterprises;

"(3) costs of acquiring technical assistance; and

"(4) initial capital where it is determined by the Director that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.

"LIMITATIONS ON ASSISTANCE

"SEC. 723. (a) No financial assistance shall be provided under this part unless the Director determines that—

"(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;

"(2) adequate technical assistance is made available and committed to the programs being supported;

"(3) such financial assistance will materially further the purposes of this part; and

"(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.

"(b) The level of financial assistance for related purposes under this Act to the area served by a program under this part shall not be diminished in order to substitute funds authorized by this part.

"PART C—SUPPORT PROGRAMS

"TRAINING AND TECHNICAL ASSISTANCE

"SEC. 731. (a) The Director shall provide directly or through grants, contracts, or other arrangements such technical assistance and training of personnel as may be required to effectively implement the purposes of this title. No financial assistance shall be provided to any public or private organization under this section unless the Director provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

"(b) Technical assistance to community development corporations and rural cooperatives may include planning, management, legal, preparation of feasibility studies, product development, marketing, and the provision of stipends to encourage skilled professionals to engage in full-time activities under the direction of a community organization financially assisted under this title.

"(c) Training for employees of community development corporations and for employees and members of rural cooperatives shall include, but not be limited to, on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial planning, and other technical and organizational skills which will contribute to the effectiveness of programs assisted under this title.

"DEVELOPMENT LOAN FUND

"SEC. 732. (a) The Director is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations eligible for financial assistance under section 712 of this title, to families under section 722(a), and to local cooperatives in rural areas eligible for financial assistance under section 722(b) for business, housing, and community development projects which the Director determines will carry out the purposes of this title. No loans, guarantees or other financial assistance shall be provided under this section unless the Director determines that—

"(1) there is reasonable assurance of repayment of the loan;

"(2) a loan is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs; and

"(3) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made.

Loans made by the Director pursuant to this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes, except that, for the five years following the date on which funds are initially available to the borrower, the rate of interest shall be set at a rate considered appropriate by the Director in light of the particular needs of the borrower, which rate shall not be lower than 1 per centum. All such loans shall be repayable within a period of not more than thirty years.

"(b) The Director is authorized to adjust interest rates, grant moratoriums on repayment of principal and interest, collect or compromise any obligations held by him, and to take such other actions in respect to such loans as he shall determine to be necessary or appropriate, consistent with the purposes of this section.

"(c) (1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fund and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

"(2) The Rural Development Loan Fund shall consist of (A) repayments of principal and interest and other receipts from the lending and guaranty operations of such revolving fund and the revolving fund previously established under section 306 of this Act, the assets and liabilities of which shall be transferred to the Rural Development Loan Fund, effective July 1, 1972, and (B) such amounts as may be deposited in such Fund by the Director out of funds made available from appropriations for the purposes of carrying out this title.

"(3) The Community Development Loan Fund shall consist of (A) repayments of principal and interest and other receipts from the lending and guaranty operations of such revolving fund, and (B) such amounts as may be deposited in such fund by the Director out of funds made available from appropriations for the purpose of carrying out this title. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which he has made available for grants to community development corporations not less than $60,000,000 out of funds made available from appropriations for the purpose of carrying out this title.

"EVALUATION AND RESEARCH

"Sec. 733. (a) Each program for which grants are made under this title shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted by such public or private organizations as the Director may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. The results of such evaluations, together with the Director's findings and recommendations concerning the program, shall be included in the report required by section 608 of this Act.

"(b) The Director shall conduct, either directly or through grants or other arrangements, research designed to suggest new programs and policies to achieve the purposes of this title in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents. The Director shall particularly investigate the feasibility and most appropriate manner of establishing development banks and similar institutions and shall report to the Congress on his research findings and recommendations not later than June 30, 1973.

"PART D—GENERAL

"PROGRAM DURATION AND AUTHORITY

"Sec. 741. The Director shall carry out programs provided for in this title during the fiscal year ending June 30, 1972, and for the two succeeding fiscal years. For each fiscal year only such sums may be appropriated as the Congress may authorize by law."

(b) Part D of title I of the Economic Opportunity Act of 1964 is repealed.

(c) Effective after June 30, 1972, part A of title III of the Economic Opportunity Act of 1964 is repealed.

LEGAL SERVICES PROGRAM AND EVALUATION OF PROGRAMS

SEC. 17. (a) The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new titles:

"TITLE IX—NATIONAL LEGAL SERVICES CORPORATION

"DECLARATION OF POLICY

"SEC. 901. The Congress hereby finds and declares that—

"(1) it is in the public interest to provide greater access to attorneys and appropriate institutions for the orderly resolution of grievances and as a means of securing orderly change, responsiveness, and reform;

"(2) many low-income persons are unable to afford the cost of legal services or of access to appropriate institutions;

"(3) access to legal services and appropriate institutions for all citizens of the United States not only is a matter of private and local concern, but also is of appropriate and important concern to the Federal Government;

"(4) the integrity of the attorney-client relationship and of the adversary system of justice in the United States require that there be no political interference with the provision and performance of legal services;

"(5) existing legal services programs have provided economical, effective, and comprehensive legal services to the client community so as to bring about a peaceful resolution of grievances through resort to orderly means of change; and

"(6) a private nonprofit corporation should be created to encourage the availability of legal services and legal institutions to all citizens of the United States, free from extraneous interference and control.

"ESTABLISHMENT OF CORPORATION

"SEC. 902. (a) There is established a nonprofit corporation, to be known as the 'National Legal Services Corporation' (hereinafter referred to as the 'Corporation') which shall not be an agency or establishment of the United States Government. The Corporation shall be subject to the provisions of this title, and, to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act. The right to repeal, alter, or amend this title is expressly reserved.

"(b) No part of the net earnings of the Corporation shall inure to the benefit of any private person, and it shall be treated as an organization described in section 170(c)(2)(B) of the Internal Revenue Code of 1954 and as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code.

"PROCESS OF INCORPORATION AND ORGANIZATION

"SEC. 903. (a) There shall be a transition period of six months following the date of enactment of the Economic Opportunity Amendments of 1971 for the process of incorporation and initial organization of the Corporation.

"(b) There is established an incorporating trusteeship composed of the following persons or their designees: the president of the American Bar Association, the president of the National Legal Aid and Defender Association, the president of the Association of American Law Schools, the president of the American Trial Lawyers Association, and the president of the National Bar Association. The incorporating trusteeship shall meet within 30 days after the enactment of the Economic Opportunity Amendments of 1971 to carry out the provisions of this section.

"(c)(1) Not later than sixty days after the enactment of the Economic Opportunity Amendments of 1971, the incorporating trusteeship, after consulting with and receiving the recommendations of national organizations of persons eligible for assistance under this title, shall establish the initial Clients Advisory Council to be composed of eleven members selected, in accordance with procedures established by the incorporating trusteeship, from among individuals eligible for assistance under this title.

"(2) Not later than sixty days after the enactment of the Economic Opportunity Amendments of 1971, the incorporating trusteeship, after consulting with and receiving the recommendations of associations of attorneys actively engaged in conducting legal services programs, shall establish the initial Project Attorneys Advisory Council to be composed of eleven members selected, in accordance with procedures established by the incorporating trusteeship, from among attorneys who are actively engaged in providing legal services under any existing legal services program.

"(3) To assist in carrying out the provisions of this subsection, the Director of the Office of Economic Opportunity shall compile a list of all legal services programs publicly funded during the fiscal year ending June 30, 1971, and the subsequent fiscal year and furnish such list to the incorporating trusteeship. In order to carry out the provisions of this subsection, the Director of the Office of Economic Opportunity shall make available to the incorporating trusteeship such administrative services and financial and other resources as it may require.

"(d) Not later than ninety days after the enactment of the Economic Opportunity Amendments of 1971, all lists required to be submitted as provided in section 904(a) for persons to serve on the initial board of directors shall be submitted to the President.

"(e) During the ninety-day period of incorporation of the Corporation the incorporating trusteeship shall take whatever actions are necessary to incorporate the Corporation, including the filing of articles of incorporation under the District of Columbia Nonprofit Corporation Act, and to prepare for the first meeting of the board of directors, except the selection of the executive director of the Corporation.

"(f) During the ninety-day period immediately following the period specified in subsection (e) of this section the board shall take whatever action is necessary to prepare to begin to carry out the activities of the Corporation six months after the enactment of the Economic Opportunity Amendments of 1971.

"DIRECTORS AND OFFICERS

"SEC. 904. (a) The Corporation shall have a board of directors consisting of seventeen individuals appointed by the President, by and with the consent of the Senate, one of whom shall be elected annually by the board to serve as chairman. Members of the board shall be appointed as follows:

"(1) Six members shall be appointed from among individuals in the general public, not less than three of whom shall be members of the bar of the highest court of a State.

"(2) Two members shall be appointed from lists of nominees submitted by the Judicial Conference of the United States.

"(3) Two members shall be appointed from among individuals who are eligible for assistance under this title from lists of nominees submitted by the Clients Advisory Council.

"(4) Two members shall be appointed from among former legal services project attorneys from lists of nominees submitted by the Project Attorneys Advisory Council.

"(5) Five members shall be appointed as follows—

"(A) one member from lists of nominees submitted by the American Bar Association;

"(B) one member from lists of nominees submitted by the Association of American Law Schools;

"(C) one member from lists of nominees submitted by the National Bar Association;

"(D) one member from lists of nominees submitted by the National Legal Aid and Defender Association; and

"(E) one member from lists of nominees submitted by the American Trial Lawyers Association.

Each initial list and any subsequent list shall include at least three and not more than ten names for each position to be filled.

"(b) The directors appointed under subsection (a) shall be appointed for terms of three years except that—

"(1) the terms of the directors first taking office shall be effective on the ninety-first day after the enactment of the Economic Opportunity Amendments of 1971;

"(2) the terms of the directors first taking office shall expire, as designated by the President at the time of appointment, as follows—

"(A) in the case of directors appointed under paragraph (1) of section 904(a), two at the end of three years, two at the end of two years, and two at the end of one year;

"(B) in the case of directors appointed under paragraph (2) of section 904(a), one at the end of two years, and one at the end of one year;

"(C) in the case of directors appointed under paragraph (3) of section 904(a), one at the end of three years and one at the end of one year;

"(D) in the case of directors appointed under paragraph (4) of section 904(a), one at the end of three years and one at the end of two years; and

"(E) in the case of directors appointed under paragraph (5) of section 904(a), (i) the term of the director appointed under clause (A) shall expire at the end of three years, (ii) the term of the director appointed under clause (B) shall expire at the end of three years, (iii) the term of the director appointed under clause (C) shall expire at the end of two years, (iv) the term of the director appointed under clause (D) shall expire at the end of one year, and (v) the term of the director appointed under clause (E) shall expire at the end of one year; and

"(3) any director appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(c) The Corporation shall have an executive director, who shall be an attorney, and such other officers, as may be named and appointed by the board of directors at rates of compensation fixed by the board, who shall serve at the pleasure of the board. No individual shall serve as executive director of the Corporation for a period in excess of six years. The executive director shall serve as a member of the board ex officio and shall serve without a vote.

"(d) No political test or qualification shall be used in selecting, appointing, or promoting any officer, attorney, or employee of the Corporation. No officers or employees of the Corporation shall receive any salary from any source other than the Corporation during the period of employment by the Corporation.

"(e) All meetings of the board, executive committee of the board, and advisory councils shall, whenever appropriate, be open to the public, and proper notice of such meetings shall be provided to interested parties and the public a reasonable time prior to such meetings.

"(f) No member of the board may participate in any decision, action, or recommendation with respect to any matter which directly benefits that member or any firm or organization with which that member is then currently associated.

"(g) Any board after the initial board shall, in consultation with the respective advisory councils, provide for rules with respect to the subsequent meetings of the Clients Advisory Council and the Project Attorneys Advisory Council.

"ADVISORY COUNCILS; EXECUTIVE COMMITTEE

"SEC. 905. (a) The board, after consulting with and receiving the recommendations of national organizations of persons eligible for assistance under this title, shall provide for the selection of a Clients Advisory Council subsequent to the first such council established under section 903(c)(1) of this title to be composed of not more than eleven members selected in accordance with procedures established by the board, including terms of office, qualifications, and method of selection and appointment, from among individuals who are eligible for assistance under this title. Such procedures must insure that all areas of the country and significant segments of the client population are represented, and in no event may more than one representative on such council be from any one State. The Clients Advisory Council shall advise the board of directors and the executive director on policy matters relating to the needs of the client community and may act as liaison between the client community and legal services programs through such activities as it deems appropriate, including informational programs in languages other than English. The Clients Advisory Council shall submit the lists of individuals for appointment as members of the board in accordance with section 904(a).

"(b) The board, after consulting with and receiving the recommendations of associations of attorneys actively engaged in conducting legal services programs, shall provide for the selection of a Project Attorneys Advisory Council subsequent to the first such council established under section 903(c)(2) of this title to be composed of not more than eleven members selected in accordance with procedures established by the board, including terms of office, qualifications, and method of selection and appointment, from among attorneys who are actively engaged in providing legal services under this title. Such procedures must ensure that all areas of the country are represented, and in no event may more than one representative on such council be from any one State. The Project Attorneys Advisory Council shall advise the board of directors and the executive director on policy matters relating to the furnishing of legal services to members of the client community. The Project Attorneys Advisory Council shall submit the lists of individuals for appointment as members of the board in accordance with section 904(a).

"(c) The board shall provide for sufficient resources for each Advisory Council in order to pay such reasonable travel costs and expenses as the board may determine.

"(d) The board may establish an executive committee of not less than five members nor more than seven members which shall include the chairman of the board, at least one director appointed pursuant to paragraph (1) of section 904(a), one director appointed pursuant to paragraph (3) or (4) of section 904(a), and one director appointed pursuant to paragraph (5) section 904.

"ACTIVITIES AND POWERS OF THE CORPORATION

"SEC. 906. (a) Effective six months after the enactment of the Economic Opportunity Amendments of 1971, in order to carry out the purposes of this title, the Corporation is authorized to—

"(1) provide financial assistance to qualified programs furnishing legal services to members of the client community;

"(2) provide financial assistance to pay the costs of contracts or other agreements made pursuant to section 903 of this title;

"(3) carry out research, training, technical assistance, experimental, legal paraprofessional and clinical assistance programs;

"(4) through financial assistance and other means, increase opportunities for legal education among individuals who are members of a minority group or who are economically disadvantaged;

"(5) provide for the collection and dissemination of information designed to coordinate and evaluate the effectiveness of the activities and programs for legal services in various parts of the country;

"(6) offer advice and assistance to all programs providing legal services and legal assistance to the client community conducted or assisted by the Federal Government including—

"(A) reviewing all grants and contracts for the provision of legal services to the client community made under other provisions of Federal law by any agency of the Federal Government and making recommendations to the appropriate Federal agency;

"(B) reviewing and making recommendations to the President and Congress concerning any proposal, whether by legislation or executive action, to establish a federally assisted program for the provision of legal services to the client community; and

"(C) upon request of the President, providing training, technical assistance, monitoring, and evaluation services to any federally assisted legal services program;

"(7) establish such procedures and take such other measures as may be necessary to assure that attorneys employed by the Corporation and attorneys paid in whole or in part from funds provided by the Corporation carry out the same duties to their clients and enjoy the same protection from interference as if such an attorney was hired directly by the client, and to assure that such attorneys adhere to the same Code of Professional Responsibility and Canons of Ethics of the American Bar Association as are applicable to other attorneys;

"(8) establish standards of eligibility for the provision of legal services to be rendered by any grantee or contractee of the Corporation with special provision for priority for members of the client community whose means are least adequate to obtain private legal services;

"(9) establish policies consistent with the best standards of the legal profession to assure the integrity, effectiveness, and professional quality of the attorneys providing legal services under this title; and

"(10) carry on such other activities as would further the purposes of this title.

"(b) In the performance of the functions set forth in subsection (a), the Corporation is authorized to—

"(1) make grants, enter into contracts, leases, cooperative agreements, or other transactions, in accordance with bylaws established by the board of directors appropriate to conduct the activities of the Corporation;

"(2) accept unconditional gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible, and use, sell, or otherwise dispose of such property for the purpose of carrying out its activities;

"(3) appoint such attorneys and other professional and clerical personnel as may be required and fix their compensation in accordance with the provision of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule rates;

"(4) promulgate regulations containing criteria specifying the manner of approval of applications for grants based upon the following considerations—

"(A) the most economical, effective, and comprehensive delivery of legal services to the client community in both urban and rural areas;

"(B) peaceful resolution of grievances and resort to orderly means of seeking change; and

"(C) maximum utilization of the expertise and facilities of organizations presently specializing in the delivery of legal services to the client community;

"(5) establish and maintain a law library;

"(6) establish procedures for the conduct of legal services programs assisted by the Corporation containing a requirement that the applicant will give assurances that the program will be supervised by a policymaking board on which the members of the legal profession constitute a majority (except that the Corporation may grant waivers of this requirement in the case of a legal services program which, upon the date of enactment of the Economic Opportunity Amendments of 1971, has a majority of persons who are not lawyers on its policymaking board) and members of the client community constitute at least one-third of the members of such board.

"(c) In any case in which services, otherwise authorized, are performed for the Federal Government by the Corporation, the Corporation shall be reimbursed for the cost of such services pursuant to an agreement between the executive director of the Corporation and the head of the agency of the Federal Government concerned.

"(d) The Corporation shall ensure that attorneys employed full time in programs funded by the Corporation refrain from any outside practice of law unless permitted as pro bono publico activity pursuant to guidelines established by the Corporation.

"(e) The Corporation shall ensure (1) that all attorneys who are not representing a client or group of clients refrain, while engaged in activities carried on by legal services programs funded by the Corporation, from undertaking to influence the passage or defeat of any legislation by the Congress or State or local legislative bodies by representations to such bodies, their members, or committees, unless such bodies, their members, or their committees request that the attorney make representations to them, and (2) that no funds provided by the Corporation shall be utilized for any activity which is planned and carried out to disrupt the orderly conduct of business by the Congress or State or local legislative bodies, for any demonstration, rally, or picketing aimed at the family or home of a member of a legislative body for the purpose of influencing his actions as a member of that body, and for conducting any campaign of advertising carried on through the commercial media for the purpose of influencing the passage or defeat of legislation.

"(f) The Corporation shall ensure that no attorneys or other persons employed by it or employed or engaged in programs funded by the Corporation shall, in any case, solicit the client community or any member of the client community for professional employment; and no funds of the Corporation shall be expended in pursuance of any employment which results from any such solicitation. For the purpose of this subsection, solicitation does not include mere announcement or advertisement, without more, of the fact that the National Legal Services Corporation is in existence and that its services are available to the client community, and does not include any conduct or activity which is permissible under the Code of Professional Responsibility and Canons of Ethics of the American Bar Association governing solicitation and advertising.

"(g) The Corporation shall establish guidelines for consideration of possible appeals to be implemented by each grantee or contractee of the Corporation to ensure the efficient utilization of resources. Such guidelines shall in no way interfere with the attorney's responsibilities and obligations under the Canons of Professional Ethics and the Code of Professional Responsibility.

"(h) At a reasonable time prior to the Corporation's approval of any grant or contract application, the Corporation shall notify the State bar association of the State in which the recipient will offer legal services. Notification shall include a reasonable description of the grant or contract application.

"(i) No funds or personnel made available by the Corporation pursuant to this title shall be used to provide legal services with respect to any criminal proceeding.

"NONPROFIT AND NONPOLITICAL NATURE OF THE CORPORATION

"SEC. 907. (a) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(b) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, employee, or any other individual except as reasonable compensation for services.

"(c) The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

"(d) The Corporation shall ensure that all employees of legal services programs assisted by the Corporation, while engaged in activities carried on by legal services programs, refrain (1) from any partisan or nonpartisan political activity associated with a candidate for public or party office, and (2) from any voter registration activity other than legal representation or any activity to provide voters or prospective voters with transportation to the polls. Employees of the Corporation or of programs assisted by the Corporation shall not at any time identify the Corporation or the program assisted by the Corporation with any partisan or nonpartisan political activity associated with a candidate for public or party office. The Board of the Directors of the Corporation shall set appropriate guidelines for the private political activities of full time employees of the Corporation or of programs assisted by the Corporation.

"ACCESS TO RECORDS AND DOCUMENTS RELATED TO THE CORPORATION

"SEC. 908. (a) Copies of all records and documents pertinent to each grant and contract made by the Corporation shall be maintained in the principal office of the Corporation in a place readily accessible and open to public inspection during ordinary working hours for a period of at least five years subsequent to the making of such grant or contract.

"(b) Copies of all reports pertinent to the evaluation, inspection, or monitoring of grantees and contractees shall be maintained for a period of at least three years in the principal office of the Corporation subsequent to such evaluation, inspection, or monitoring visit. Upon request, the substance of such reports shall be furnished to the grantee or contractee who is the subject of the evaluation, inspection, or monitoring visit.

"(c) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing regulations and guidelines, and it shall publish in the Federal Register on a timely basis all its bylaws, regulations, and guidelines.

"(d) The Corporation shall be subject to the provisions of the Freedom of Information Act.

"FINANCING OF THE CORPORATION

"SEC. 909. In addition to any funds reserved and made available for payment to the Corporation from appropriations for carrying out the Economic Opportunity Act of 1964 for any fiscal year, there are further authorized to be appropriated for payment to the Corporation such sums as may be necessary for any fiscal year. Funds made available to the Corporation from appropriations for any fiscal year shall remain available until expended.

"RECORDS AND AUDIT OF THE CORPORATION AND THE RECIPIENTS OF ASSISTANCE

"SEC. 910. (a) The accounts of the Corporation shall be audited annually in accordance with generally accepted auditing standards by any independent licensed public accountant certified or licensed by a regulatory authority of a State or political subdivision. Each such audit shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audit shall be made available to the person conducting the audit, consistent with the necessity of maintaining the confidentiality required by the best standards of the legal profession, and full facilities for verifying transactions with the balance, or securities held by depositories, fiscal agents, and custodians shall be afforded to any such person. The report of each such independent audit shall be included in the annual report required under this title. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the assets and liabilities, and surplus or deficit of the Corporation, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the income and expenses of the Corporation during the year, and a statement of the sources and application of funds, together with the opinion of the independent auditor of those statements.

"(b)(1) The accounts and operations of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States, consistent with the necessity of maintaining the confidentiality required by the best standards of the legal profession. Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representative of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or used by the Corporation pertaining to its accounts and operations, including the reports pertinent to the evaluation, inspection, or monitoring of grantees and contractors required to be maintained by section 908(b) and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the Corporation shall remain in the possession and custody of the Corporation.

"(2) A report of each such audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General may deem necessary to inform the Congress of the operations and conditions of the Corporation, together with such recommendations with respect thereto as he may deem advisable. The report shall also show specifically any program, expenditure, or other transaction or undertaking observed in the course of the audit, which in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the executive director and to each member of the board at the time submitted to the Congress.

"(c)(1) Each grantee or contractee, other than a recipient of a fixed price contract awarded pursuant to competitive bidding procedures, under this title shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Corporation or any of its duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title. The Comptroller General of the United States, or any of his duly authorized representatives shall also have access thereto for such purpose during any fiscal year for which Federal funds are available to the Corporation.

"REPORTS TO CONGRESS

"Sec. 911. The Corporation shall prepare an annual report for transmittal to the President and the Congress on or before the 30th day of January of each year, summarizing the activities of the Corporation and making such recommendations as it may deem appropriate. This report shall include findings and recommendations concerning the preservation of the attorney-client relationships and adherence to the Code of Professional Responsibility of the American Bar Association in the conduct of programs supported by the Corporation. The report shall include a comprehensive and detailed report of the operations, activities, financial condition, and accomplishments of the Corporation, together with the additional views and recommendations, if any, of members of the board.

"DEFINITIONS

"Sec. 912. As used in this title, the term—

"(1) 'State' means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(2) 'Corporation' means the National Legal Services Corporation established pursuant to this title;

"(3) 'client community' means individuals unable to obtain private legal counsel because of inadequate financial means;

"(4) 'member of the client community' includes any person unable to obtain private legal counsel because of inadequate financial means;

"(5) 'legal services' includes legal advice, legal representation, legal research, education concerning legal rights and responsibilities, and similar activities (including, in areas where a significant portion of the client community speaks a language other than English as the predominant language, or is bilingual, services to those members of the client community in the appropriate language other than English);

"(6) 'legal profession' refers to that body composed of all persons admitted to practice before the highest court of at least one State of the United States; and

"(7) 'nonprofit', as applied to any foundation, corporation, or association means a foundation, corporation, or association, no part of the net earnings of which inures, or may lawfully inure to the benefit of any private shareholder or individual.

"PROHIBITION ON FEDERAL CONTROL

"Sec. 913. Nothing contained in this title shall be deemed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the Corporation or any of its grantees or contractees or employees, or over the charter or bylaws of the Corporation, or over the attorneys providing legal services pursuant to this title, or over the members of the client community receiving legal services pursuant to this title.

“SPECIAL LIMITATIONS

“SEC. 914. The board shall prescribe procedures to ensure that—

“(1) financial assistance shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, unless the grantee or contractee has been given reasonable notice and opportunity to show cause why such action should not be taken; and

“(2) financial assistance shall not be terminated, an application for refunding shall not be denied, and an emergency suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee or contractee has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

“COORDINATION

“SEC. 915. The President may direct that particular support functions of the Federal Government, such as the General Services Administration, the Federal telecommunications system, and other facilities, be utilized by the Corporation or its grantees or contractees to the extent not inconsistent with other applicable law.

“TRANSFER MATTERS

“SEC. 916. (a) Notwithstanding any other provision of law, on and after such date as may be prescribed by the Director of the Office of Management and Budget, or six months after the enactment of the Economic Opportunity Amendments of 1971, whichever is the earlier, all rights of the Office of Economic Opportunity to capital equipment in the possession of legal services programs assisted pursuant to sections 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964, shall become the property of the National Legal Services Corporation.

“(b) Effective six months after the date of enactment of the Economic Opportunity Amendments of 1971, all personnel, assets, liabilities, property, and records as determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Director under section 222(a)(3) of this Act shall be transferred to the Corporation. Personnel transferred (except personnel under schedule A of the excepted service) under this subsection shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in classification or compensation for one year after such transfer. The Director shall take whatever action is necessary and reasonable to seek suitable employment for personnel who would otherwise be transferred pursuant to this subsection who do not wish to transfer to the Corporation.

“(c) Collective bargaining agreements in effect on the date of enactment of the Economic Opportunity Amendments of 1971 covering employees transferred pursuant to subsection (b) of this section shall continue to be recognized by the Corporation until altered or amended pursuant to law.

"TITLE X—EVALUATION

"COMPREHENSIVE EVALUATION OF PROGRAMS

"SEC. 1001. (a) The Director shall provide for evaluations that describe and measure with appropriate means and to the extent feasible, the impact of programs, their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services and including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. He may, for these purposes, contract or make other arrangements for independent evaluations of those programs or individual projects.

"(b) The Director shall to the extent feasible develop and publish standards for evaluation of program effectiveness in achieving the objectives of this Act.

"(c) The Director may require community action agencies to provide independent evaluations.

"(d) Federal agencies administering programs related to this Act shall—

"(1) cooperate with the Director in the discharge of his responsibility to plan and conduct evaluations of such poverty-related programs as he judges appropriate, to the fullest extent permitted by other applicable law; and

"(2) provide the Director with such statistical data, program reports, and other materials as they presently collect and compile on program operations, beneficiaries, and effectiveness.

"(e) In carrying out evaluations under this title, the Director shall, whenever possible, arrange to obtain the opinions of program participants about the strengths and weaknesses of the programs.

"(f) The Director may consult, where appropriate, with State agencies, in order to provide for jointly sponsored objective evaluation studies of programs on a State basis.

"(g) The Director shall publish summaries of the results of evaluative research and evaluations of program impact and effectiveness no later than sixty days after its completion.

"(h) The Director shall take necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds shall become the property of the United States.

"(i) The Director shall publish summaries of the results of activities carried out pursuant to this title in the report required by section 608."

(b)(1) During the fiscal year 1972 the Director of the Office of Economic Opportunity shall take such action as may be necessary, in cooperation with the executive director of the National Legal Services Corporation, to arrange for the orderly continuation by such corporation of financial assistance to legal services programs assisted pursuant to sections 222(a)(3), 230, 232, or any other provision, of the Economic Opportunity Act of 1964. Whenever the Director of the Office of Economic Opportunity determines that an obligation to provide financial assistance pursuant to any contract or grant agreement for such legal services will extend beyond six months after the date of enactment of this Act, he shall include in any such contract or agreement provisions to assure that the obligation to provide such financial assistance may be assumed by the National Legal Services Corporation, subject to such modifications of the terms and conditions of that contract or grant agreement as the Corporation determines to be necessary.

(2) Effective six months after the date of enactment of this Act, section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed.

(3) Notwithstanding any other provision of law, after the enactment of this Act but prior to the enactment of appropriations to carry out the Economic Opportunity Act of 1964 for the fiscal year ending June 30, 1972, the Director of the Office of Economic Opportunity shall, out of appropriations then available to him, make funds available to assist in meeting the organizational expenses of the Corporation and in carrying out its activities.

(4) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 622 thereof the following new section:

"INDEPENDENCE OF NATIONAL LEGAL SERVICES CORPORATION

"Sec. 623. Nothing in this Act, except title IX, and no reference to this Act unless such reference refers to title IX, shall be construed to affect the powers and activities of the National Legal Services Corporation."

(c)(1) Subsection (a) of section 113, subsections (b) and (c) of section 132, section 154, section 233, and section 314(b) of the Economic Opportunity Act of 1964 are repealed.

(2) Section 632(2) of such Economic Opportunity Act of 1964 is amended by striking out "carry on a continuing evaluation of all activities under this Act, and".

(3) Sections 132 and 314 of such Act are each amended by striking out "(a)".

SPECIAL PROGRAMS AUTHORIZED

Sec. 18. Part B of title II of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new sections:

"DESIGN AND PLANNING ASSISTANCE GRANTS

"Sec. 226. (a) The Director shall make grants or enter into contracts to provide financial assistance for the operating expenses of programs conducted by community-based design and planning organizations to provide technical assistance and professional architectural and related services, relating to housing, neighborhood facilities, transportation and other aspects of community planning and development to persons and community organizations or groups not otherwise able to afford such assistance. Such programs shall be conducted with maximum use of the voluntary services of professional and community personnel. In providing assistance under this section, the Director shall afford priority to persons in urban or rural poverty areas with substandard housing, substandard public service facilities, and generally blighted conditions. Design and planning services to be provided by such organizations shall include—

"(1) comprehensive community or area planning and development;

"(2) specific projects for the priority planning and development needs of the community; and

"(3) educational programs directed to local residents, emphasizing their role in the planning and development process in the community.

"(b) No assistance may be provided under this section unless such design and planning organization—

"(1) is a nonprofit organization located in the neighborhood or area to be served with a majority of the governing body of such organization comprised of residents of that neighborhood or area;

"(2) has as a primary function the goal of bringing about, through the involvement of the appropriate community action agency or otherwise, maximum feasible participation of local residents, especially low-income residents, in the planning and decisionmaking regarding the development of their community; and

"(3) will carry out its design and planning services principally through the voluntary participation of professional and community personnel (including, where available, VISTA volunteers).

"(c) Design and planning organizations receiving assistance under this section shall not subcontract with any profitmaking organization or pay fees for architectural or other professional services.

"(d) The Director shall make whatever arrangements are necessary to continue pilot or demonstration projects of demonstrated effectiveness of the type described in this section receiving assistance under section 232 of this Act during the fiscal year ending June 30, 1971.

"YOUTH RECREATION AND SPORTS PROGRAM

"SEC. 227. (a) In order to provide to disadvantaged youth recreation and physical fitness instruction and competition with high-quality facilities and supervision and related educational and counseling services (including instruction concerning study practices, career opportunities, job responsibilities, health and nutrition, and drug abuse education) through regular association with college instructors and athletes and exposure to college and university campuses and other recreational facilities, the Director shall make grants or enter into contracts for the conduct of an annual Youth Recreation and Sports Program concentrated in the summer months and with continued activities throughout the year, so as to offer disadvantaged youth living in areas of rural and urban poverty an opportunity to receive such recreation and educational instruction, information, and services and to participate in such physical fitness programs and sports competitions.

"(b) No assistance may be provided under this section unless satisfactory assurances are received that not less than 90 per centum of the youths participating in each program to be assisted under this section are from families with incomes below the poverty level, as determined by the Director, and that such participating youths and other neighborhood residents, through the involvement of the appropriate community action agency or otherwise, will have maximum participation in program planning and operation.

"(c) Programs under this section shall be administered by the Director, through grants or contracts with any qualified organization of colleges and universities or such other qualified nonprofit organizations active in the field with access to appropriate recreational facilities as the Director shall determine in accordance with regulations which he shall prescribe. Each such grant or contract and subcontract with participating institutions of higher education or other qualified organizations active in the field shall contain provisions to assure that the program to be assisted will provide a non-Federal contribution (in cash or in-kind) of no less than 20 per centum of the direct costs necessary to carry out the program. Each such grant, contract, or subcontract shall include provisions for—

"(1) providing opportunities for disadvantaged youth to engage in competitive sports and receive sports skills and physical fitness instruction and education in good health and nutrition practices;

"(2) providing such youth with instruction and information regarding study practices, career opportunities, job responsibilities, and drug abuse;

"(3) carrying out continuing related activities throughout the year;

"(4) meeting the requirements of subsection (b) of this section;

"(5) enabling the contractor and institutions of higher education or other qualified organizations active in the field located conveniently to such areas of poverty and the students and personnel of such institutions or organizations active in the field to participate more fully in the community life and in solutions of community problems; and

"(6) serving metropolitan centers of the United States and rural areas, within the limits of program resources."

FUNCTIONS OF DIRECTOR

SEC. 19. Notwithstanding any other provision of law, unless enacted hereafter in limitation of the provisions of this section, no new transfers or delegations of programs administered by the Director of the Office of Economic Opportunity under titles II, III, VI, and VII of the Economic Opportunity Act of 1964, as amended, shall be made to the head of any other agency, during the fiscal year ending June 30, 1972, and the succeeding fiscal year.

PUERTO RICO

SEC. 20. (a) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity shall reserve, for the purpose of section 225(a) of the Economic Opportunity Act of 1964, not more than 4 per centum of the appropriated sums for the fiscal year ending June 30, 1972, for Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs.

(b) Effective after June 30, 1972, section 225(a) of such Act is amended by striking out "Puerto Rico,".

(c) Effective after June 30, 1972, the first sentence of paragraph (1) of section 609 of such Act is amended by striking out the word "or" the second time it appears in such sentence and inserting in lieu thereof a comma and the following: "Puerto Rico, or".

TECHNICAL PROVISIONS

SEC. 21. (a) The application of the formula prescribed by section 225(a) of the Economic Opportunity Act of 1964 for the allotment of funds among the States may be waived by the Director to the extent he deems necessary to prevent hardship in the allotment of funds for programs under title II of such Act resulting from the discontinuance of the authorization for section 222(a)(1) of such title by this Act.

(b) The Director may extend assistance under sections 221 and 222(a) of the Economic Opportunity Act of 1964 to a community action agency or other agency which is in excess of the maximum prescribed in section 225(c) of such Act, if he determines, in accordance with such regulations as he shall prescribe, that the ability of such agency to provide its share of the program costs pursuant to such section 225(c) has been impaired by virtue of the discontinuance of the authorization for section 222(a)(1) of such Act to an extent which justifies such additional assistance.

AMENDMENT TO THE OLDER AMERICANS ACT OF 1965

SEC. 22. (a) Section 611(a) of the Older Americans Act of 1965 (42 U.S.C. 3044(b)) is amended by adding at the end thereof the following new sentence: "The Director of ACTION may approve assistance in excess of 90 per centum of the cost of the development and operation of such projects if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this section."

(b) The amendment made by subsection (a) of this section shall be effective from the date of enactment of this section. In the case of any project with respect to which, prior to such date, a grant or contract has been made under such section or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

EMERGENCY COMMITTEE FOR CHILDREN
Suite 206
422 First Street, S.E.
Washington, D.C. 20003
Telephone: 202-546-9100

Dr. George Baird, *President*
Educational Research Council of America

Dr. David Crane
Psychiatrist

Dr. George Crane
Psychologist, Columnist, Author

M. Stanton Evans, *Editor*
INDIANAPOLIS NEWS

Robert Galm, *Director*
Indiana Youth Council

Dr. Jerzy Hauptmann, *Editor*
THE LUTHERAN SCHOLAR

Dr. Will Herberg
Drew University

Dr. Russell Kirk
Author, Educator, Lecturer

Fulton Lewis III
Columnist and Author

Rev. Angus MacDonald, *Editor*
RELIGION AND SOCIETY

Dr. William H. Marra
Fordham University

Dr. William Oliver Martin
University of Rhode Island
Author, REALISM IN EDUCATION

Dr. Charles Moser
George Washington University

Dr. Gerhart Niemeyer
University of Notre Dame

Dr. Charles E. Rice
University of Notre Dame

Dr. George Roche III, *President*
Hillsdale College

H. Lyman Stebbins, *President*
Catholics United for the Faith

Dr. Ben Wood
Director of Collegiate Research
Columbia University

(organizations listed for identification purposes only)

March 7, 1972

Senator Harrison A. Williams
Senate Office Building
Washington, D. C.

Dear Senator Williams:

It has come to our attention that the Senate Committee on Labor and Public Welfare, of which you are Chairman, is presently considering S. 3193 and S. 3228, bills proposing Child Care and Family Service programs.

This is a very important matter, one which deserves the Senate's most serious consideration. As these programs could determine the course of American society for generations, it is imperative that Congress have the benefit of differing views of the American public as well as of "experts" in the field.

As interested parties, with some special qualifications, we would like to offer the benefit of our studies and experience by sending a member of our committee to appear before you in public testimony at whatever time and place you may appoint.

Please advise.

Sincerely yours,

Raymond F. Collins

Raymond F. Collins
Administrative Secretary

HARRISON A. WILLIAMS, JR., N.J., CHAIRMAN
JENNINGS RANDOLPH, W. VA.
CLAIBORNE PELL, R.I.
EDWARD M. KENNEDY, MASS.
GAYLORD NELSON, WIS.
WALTER F. MONDALE, MINN.
THOMAS F. EAGLETON, MO.
ALAN CRANSTON, CALIF.
HAROLD E. HUGHES, IOWA
ADLAI E. STEVENSON III, ILL.
JACOB K. JAVITS, N.Y.
PETER H. DOMINICK, COLO.
RICHARD S. SCHWEIKER, PA.
BOB PACKWOOD, OREG.
ROBERT TAFT, JR., OHIO
J. GLENN BEALL, JR., MD.
ROBERT T. STAFFORD, VT.

STEWART E. MC CLURE, STAFF DIRECTOR
ROBERT E. NAGLE, GENERAL COUNSEL

United States Senate
COMMITTEE ON
LABOR AND PUBLIC WELFARE
WASHINGTON, D.C. 20510

March 16, 1972

Honorable James L. Buckley
United States Senate
Senate Office Building
Washington, D C

Dear Senator Buckley:

Early next week, hopefully on Monday, March 20, the Subcommittee on Children and Youth and the Subcommittee on Employment, Manpower and Poverty will hold a joint hearing on the child development provisions in S. 3193 and S. 3228.

We have invited the Secretary of Health, Education and Welfare, Elliot Richardson to present the Administration's position at that time. We would like to include in that hearing as well testimony from an individual who shares some of the concerns you expressed in the Senate debate about the purposes and implications of this legislation.

In view of your concern we respectfully invite you to testify or to help us find a representative who might best present the concerns you have expressed. Please contact us or Mr. Sidney Johnson (59181) of our staff

With warmest personal regards.

Sincerely,

Gaylord Nelson
Gaylord Nelson
Chairman
Subcommittee on Employment,
Manpower & Poverty

Walter Mondale
Walter F. Mondale
Chairman
Subcommittee on
Children & Youth

CHILDREN'S HOSPITAL
OF THE DISTRICT OF COLUMBIA 2125 Thirteenth St., N.W., Washington, D.C. 20009 • Tel. (202) 835-4000

GEORGE F. HAMILTON, III
President

ROBERT H. PARROTT, M.D.
Director

MORRIS FEITEL, M.D.
Chairman of Medical Staff

NOEL F. KRONCKE
Administrator

March 31, 1972

Senator Walter F. Mondale
Old Senate Office Building, Room 443
Washington, D.C. 20510

Dear Senator Mondale,

During my testimony before your committee on Monday, March 27, you asked if I could provide 1) constructive criticism for building in psychiatric safeguards in daycare legislation and 2) a general outline on a comprehensive plan to reach more directly into the causes of our inner city pathology. I would like to do more than this, that is, I would prefer to try and provide your committee and your legislation with such consultation that the established psychoanalytic and psychiatric community would give full support to the legislation.

I have enclosed a copy of my letter to Dr. Eleanor Pavenstedt, one of the distinguished psychiatric and psychoanalytic clinicians in the country who has been concerned with child care for many years. I have also contacted several of the child psychoanalysts in Washington, D.C., and if your committee staff should be interested, I think it is quite possible that a small, professional ad hoc committee of psychoanalysts can give direct advise and consultation, and probably in a pretty short time. As I said in my testimony, it is not my intent to impair or damage daycare legislation where it is needed. I will hope that your committee can make use of such professional criticism and consultation, since I think it can ensure the support this bill needs.

You also asked if I could submit an outline of a comprehensive legislative program that I think would stand some chance of being truly preventitive, i.e., with respect to the enormous problems of the inner city. This will take a bit longer, but I will try to outline my ideas as best I can. I don't really believe that Congress or the country is yet ready to accept such proposals, both because of the enormity of costs and because the issues touch directly on the ethnic prejudices of our day. It is my personal conviction that things are going to get a lot worse before the country is prepared to pay the price that is necessary. I've enclosed a set of photographs of slides illustrating the incidence of crime in the area immediate to my patients' home. I find them quite awesome. While I'm reasonably certain that your schedule won't permit you to review clinical papers, I am none the less enclosing them in the event that your staff might find them of interest. The first of these, "Psychoanalytic Research and Intellectual Functioning of Ghetto Reared, Black Children", should appear in the Menninger Foundation's Bulletin later this year. This is my response to the naive and prejudicial assumptions of academicians such as Jensen. The second paper contains my most concerned views on the nature of the psychopathology that we are presently nurturing in our ghetto.

With best regards.

Sincerely,

Dale R. Meers
Dale R. Meers
Department of Psychiatry

cc. Senator James Buckley

Encl.

March 28, 1972

Dr. Eleanor Pavenstedt
Tufts-Columbia Point Health Ctr.
300-320 Mt. Vernon St.
Dorchester, Massachusetts 02125

Dear Dr. Pavenstedt,

Do you think it would be appropriate for either a committee of the Child Psychoanalytic Association or your committee in the American Psychoanalytic Association to provide critical consultation on daycare legislation for Senator Mondale's Sub-Committee on Children and Youth? I met with the Sub-Committee yesterday, and gave testimony along with three others. I've enclosed a copy of the statement I had prepared for that meeting, with hopes that you'll find it of interest.

It is clear that Senator Monsdale had not previously been made aware that there is an appreciable body of informed and concerned professionals who would consider aspects of the daycare legislation as potentially, seriously dangerous to small children. It was fortunate that Dr. Senn also appeared, since his obvious sincerity and clear seniority lent further credence to my criticisms. He had appeared to testify in favor of the bill, but when I pointed out, rather insistently, that the ages of the children concerned, and the questionable characteristics of staffing could well lead to consequences that no one would want, he clearly concurred.

Senator Mondale asked if I could offer constructive criticisms, to try and build into the existing legislative proposal safeguards against the problems that they might anticipate. While I am extremely pressed for time, and now continue my research on weekends as well, I think this matter is far too serious not to try to do something at this time. The legislation, is, as I'm sure you agree, enormously important for the inner cities and disadvantaged children elsewhere. But they certainly need to have professional consultation on the psychiatric dangers involved. My reason for writing, therefore, is to ask if you and others might constitute a committee of some sort to give immediate and direct advice on the drafting of alternatives in the bill in question. I'm asking Senator Monsdale's aides to send you copies of the legislation that I am talking about.

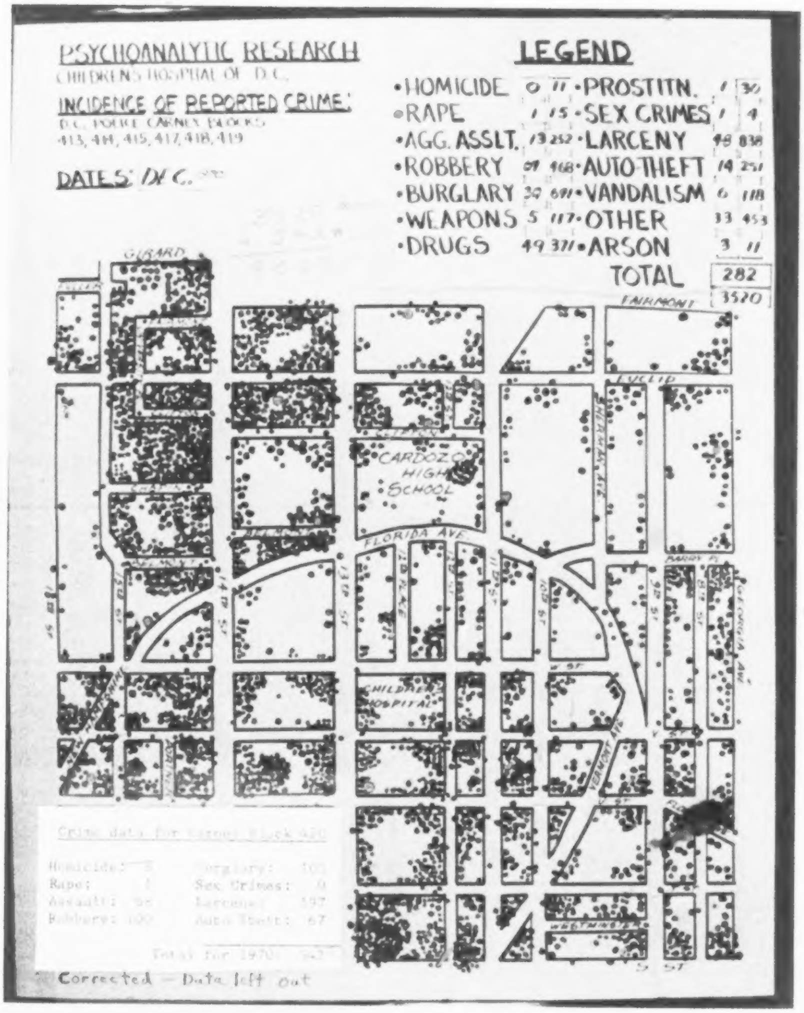
With very best regards.

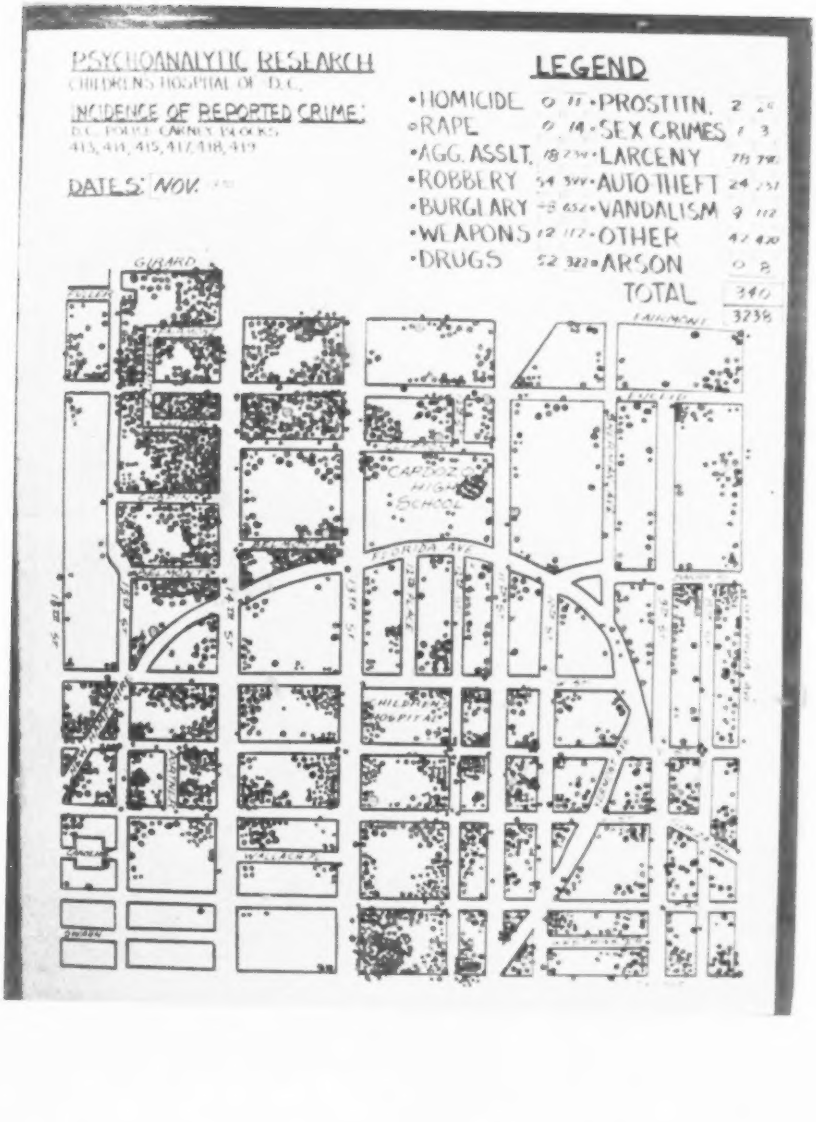
Cordially,

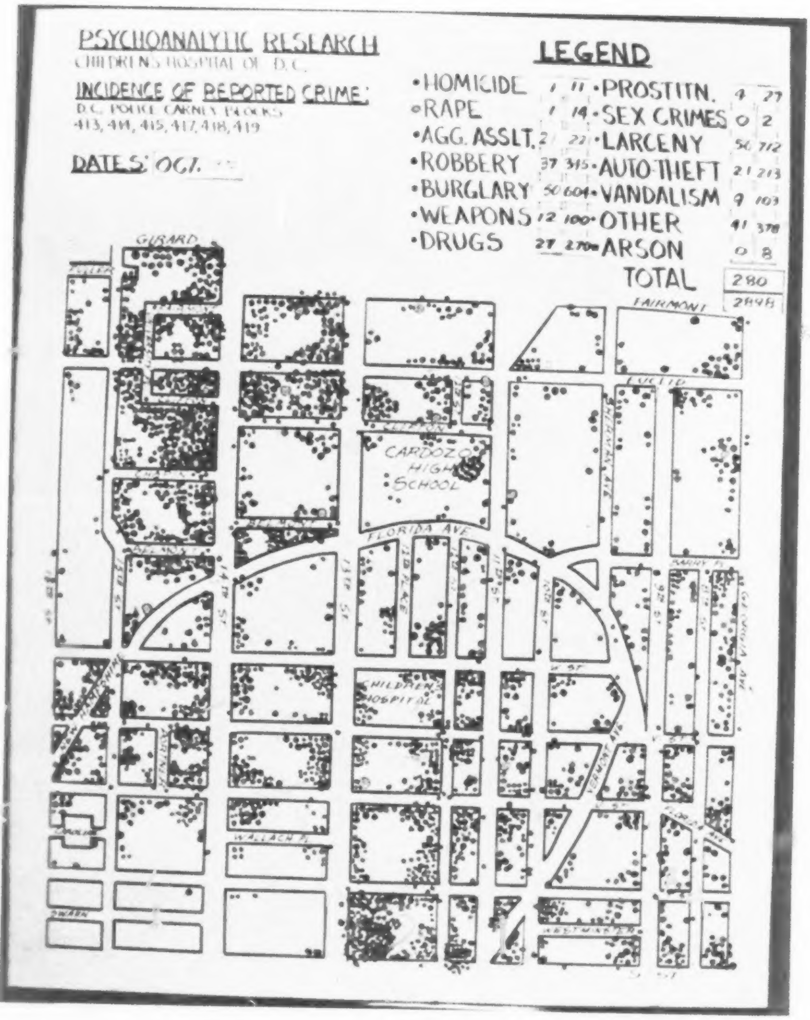
Dale R. Meers
Department of Psychiatry

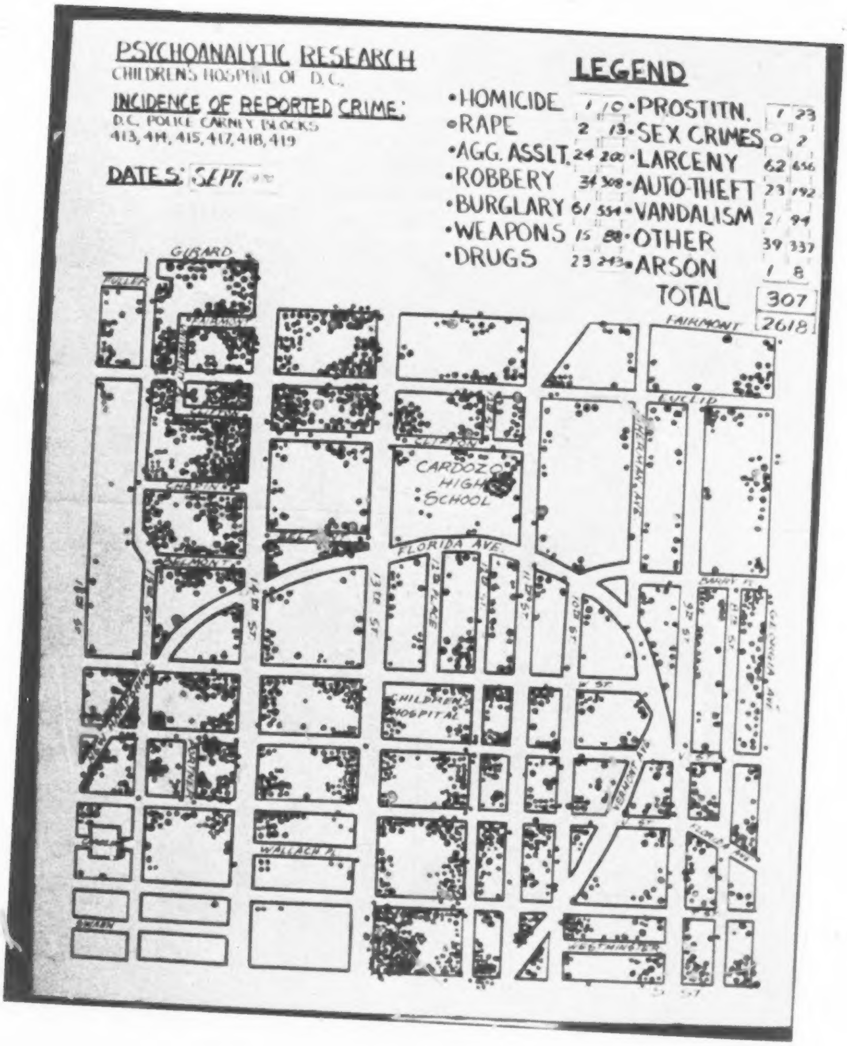
cc. Hon. Walter F. Mondale
Hon. James Buckley

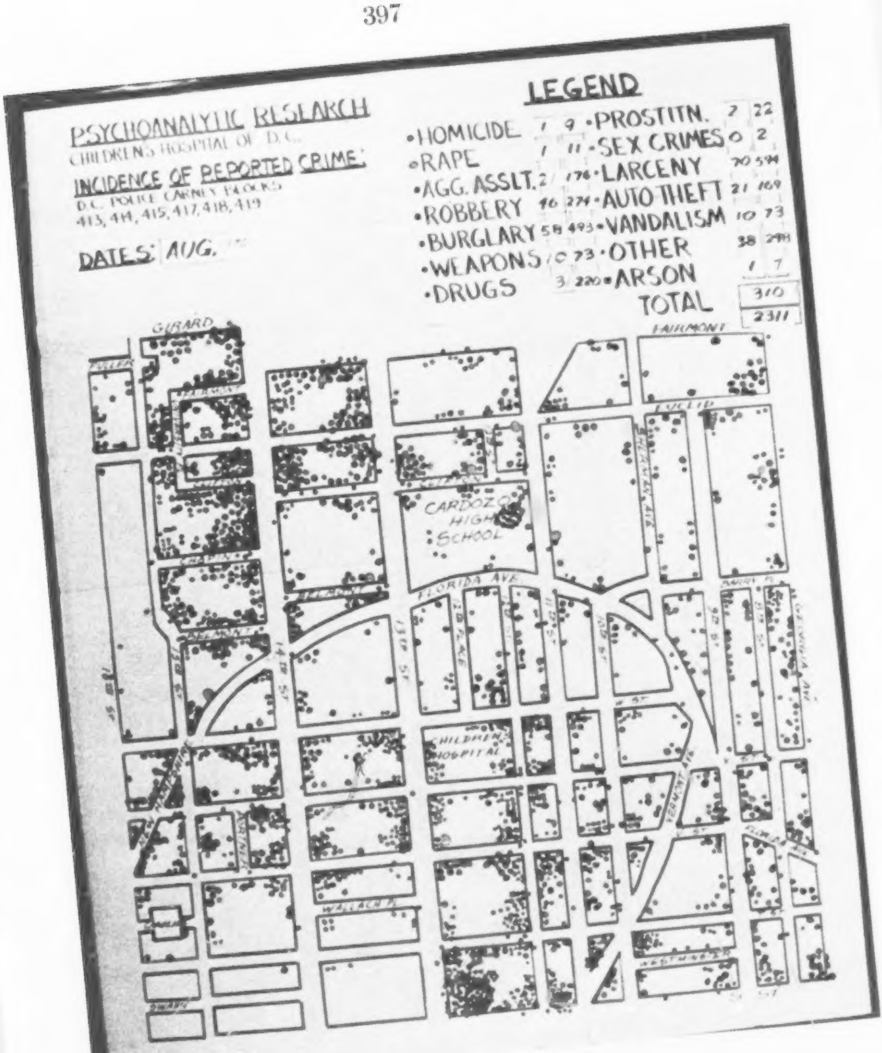
Encl.

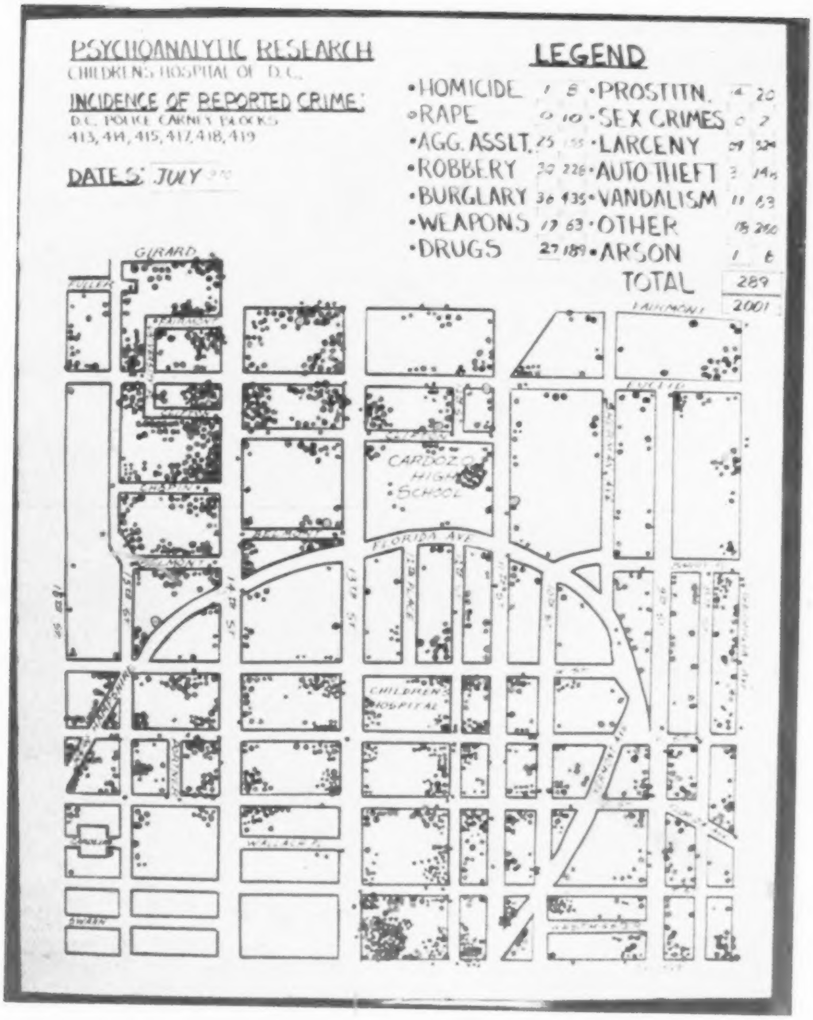

PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: DEC.
LEGEND
•HOMICIDE 0 11
•RAPE 1 15
•AGG. ASSLT. 13 252
•ROBBERY 69 468
•BURGLARY 30 691
•WEAPONS 5 117
•DRUGS 49 371
•PROSTITN. 1 30
•SEX CRIMES 1 4
•LARCENY 48 838
•AUTO-THEFT 14 251
•VANDALISM 6 118
•OTHER 33 453
•ARSON 3 11
TOTAL 282
3520
GIRARD
FULLER
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
BARRY PL
14TH ST
13TH ST
12TH PLACE
11TH ST
10TH ST
9TH ST
8TH ST
GEORGIA AVE
CHILDREN'S HOSPITAL
VERMONT AVE
W ST
V ST
S ST
Crime data for Carney Block 420
Homicide: 3
Rape: 1
Assault: 56
Robbery: 100
Burglary: 101
Sex Crimes: 0
Larceny: 197
Auto Theft: 67
Total for 1970: 542
Corrected – Data left out

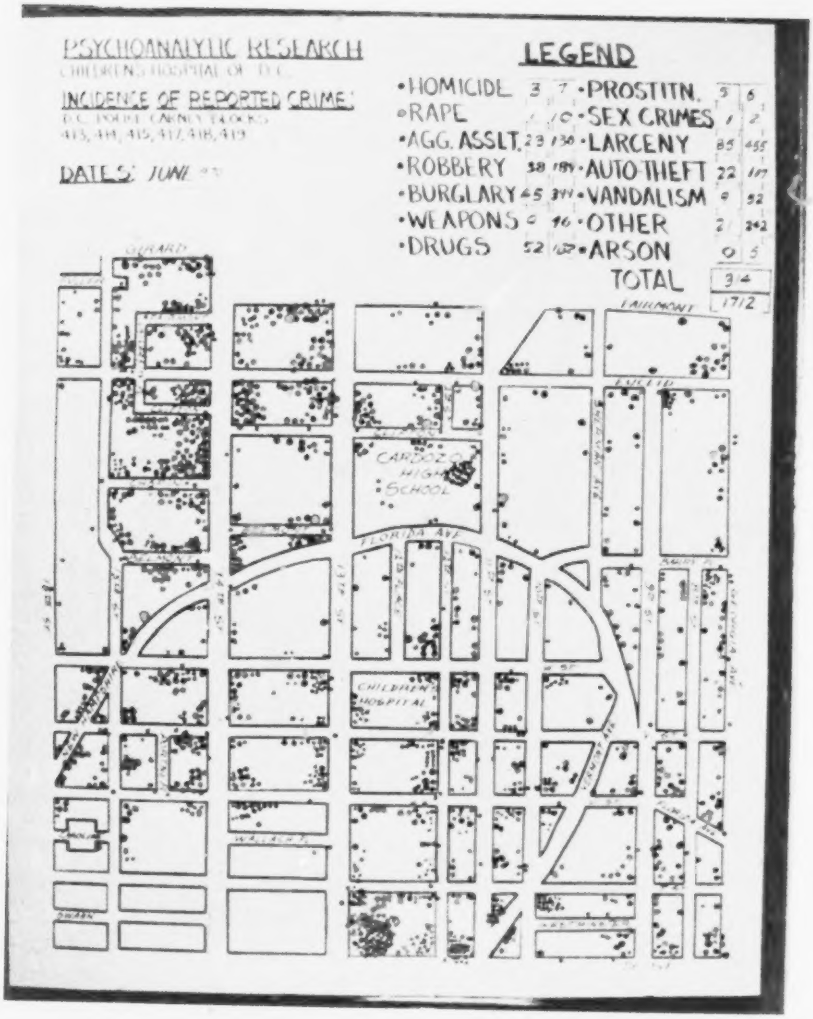

PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: NOV.
LEGEND
•HOMICIDE 0 11
•RAPE 0 14
•AGG. ASSLT. 18 234
•ROBBERY 54 344
•BURGLARY 48 652
•WEAPONS 12 112
•DRUGS 52 322
•PROSTITN. 2 20
•SEX CRIMES 1 3
•LARCENY 78 790
•AUTO THEFT 24 257
•VANDALISM 9 112
•OTHER 47 420
•ARSON 0 8
TOTAL 340 3238
GIRARD
FULLER
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
14TH ST
13TH ST
CHILDREN'S HOSPITAL
WALLACH PL
SWANN


PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: OCT.
LEGEND
•HOMICIDE 1 11
•RAPE 1 14
•AGG. ASSLT. 21 22
•ROBBERY 37 315
•BURGLARY 50 604
•WEAPONS 12 100
•DRUGS 27 270
•PROSTITN. 4 27
•SEX CRIMES 0 2
•LARCENY 56 712
•AUTO-THEFT 21 213
•VANDALISM 9 103
•OTHER 41 378
•ARSON 0 8
TOTAL 280 2898
GIRARD
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
14TH ST
13TH ST
CHILDREN'S HOSPITAL
WALLACH PL
SWANN
WESTMINSTER
S ST

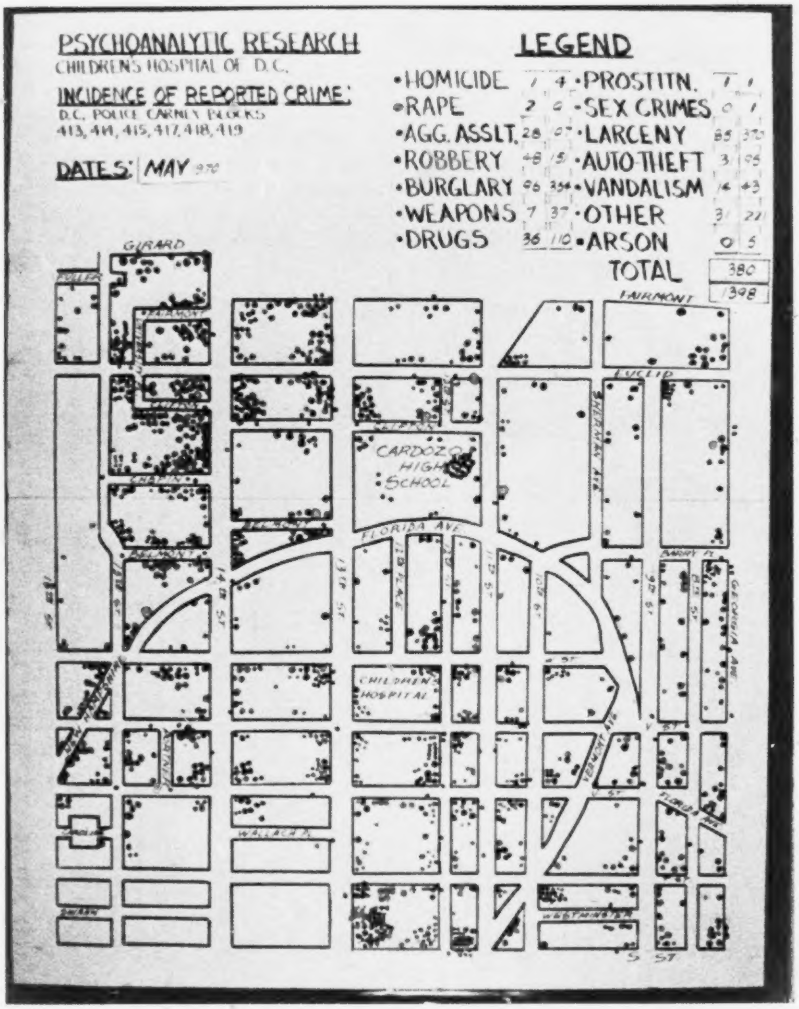

PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: SEPT.
LEGEND
•HOMICIDE 1 10
•RAPE 2 13
•AGG. ASSLT. 24 200
•ROBBERY 34 308
•BURGLARY 61 554
•WEAPONS 15 88
•DRUGS 23 243
•PROSTITN. 1 23
•SEX CRIMES 0 2
•LARCENY 62 656
•AUTO-THEFT 23 192
•VANDALISM 21 94
•OTHER 39 337
•ARSON 1 8
TOTAL 307
2618
GIRARD
FAIRMONT
EUCLID
CLIFTON
CARDOZO HIGH SCHOOL
FLORIDA AVE.
14TH ST
13TH ST
11TH ST
10TH ST
CHILDRENS HOSPITAL
WALLACH PL
WESTMINSTER
S ST

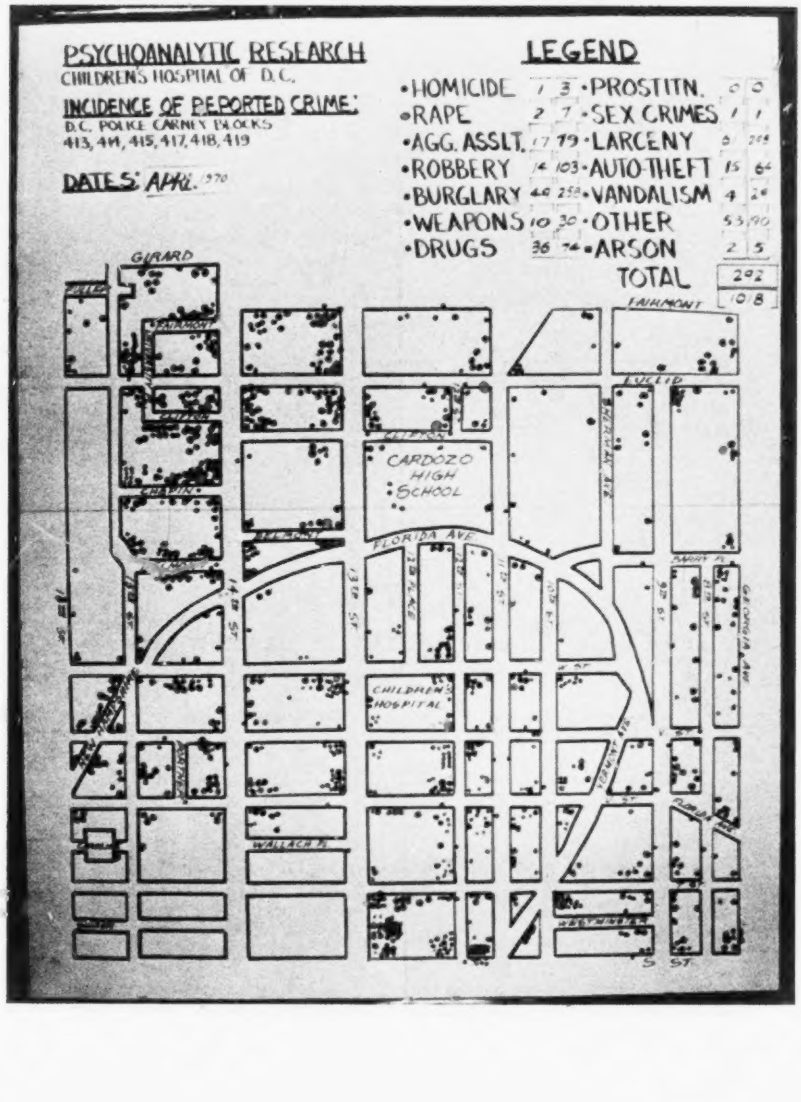

PSYCHOANALYTIC RESEARCH
CHILDREN'S HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: AUG.
LEGEND
•HOMICIDE 1 9
•RAPE 1 11
•AGG. ASSLT. 21 176
•ROBBERY 46 274
•BURGLARY 58 493
•WEAPONS 10 73
•DRUGS 3 220
•PROSTITN. 2 22
•SEX CRIMES 0 2
•LARCENY 70 594
•AUTO THEFT 21 169
•VANDALISM 10 73
•OTHER 38
•ARSON 1 7
TOTAL 310 2311
GIRARD
FULLER
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
13TH ST
CHILDREN'S HOSPITAL
WALLACH PL
VERMONT AVE
WESTMINSTER

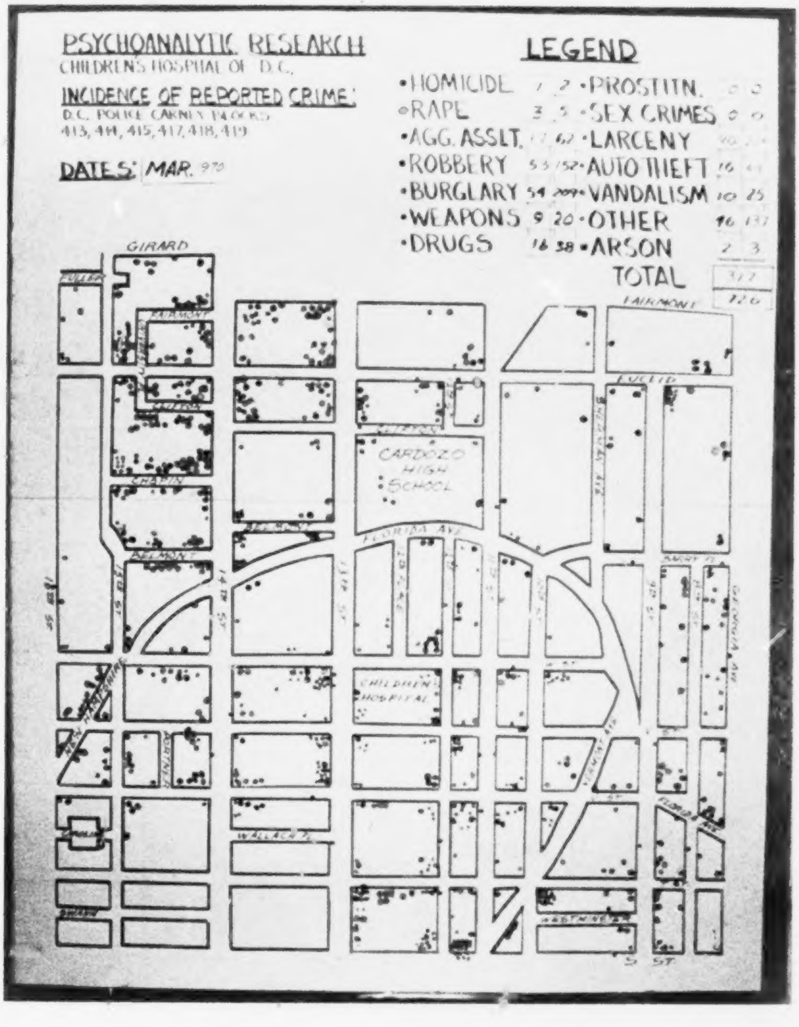

PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: JULY
LEGEND
•HOMICIDE 1 8
•RAPE 0 10
•AGG. ASSLT. 25 155
•ROBBERY 30 226
•BURGLARY 36 435
•WEAPONS 17 63
•DRUGS 27 189
•PROSTITN. 4 20
•SEX CRIMES 0 2
•LARCENY 29 524
•AUTO THEFT 3 146
•VANDALISM 11 63
•OTHER 15 260
•ARSON 1 6
TOTAL 289
2001
GIRARD
FULLER
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
14TH ST
13TH ST
CHILDRENS HOSPITAL
WALLACH PL
SWANN

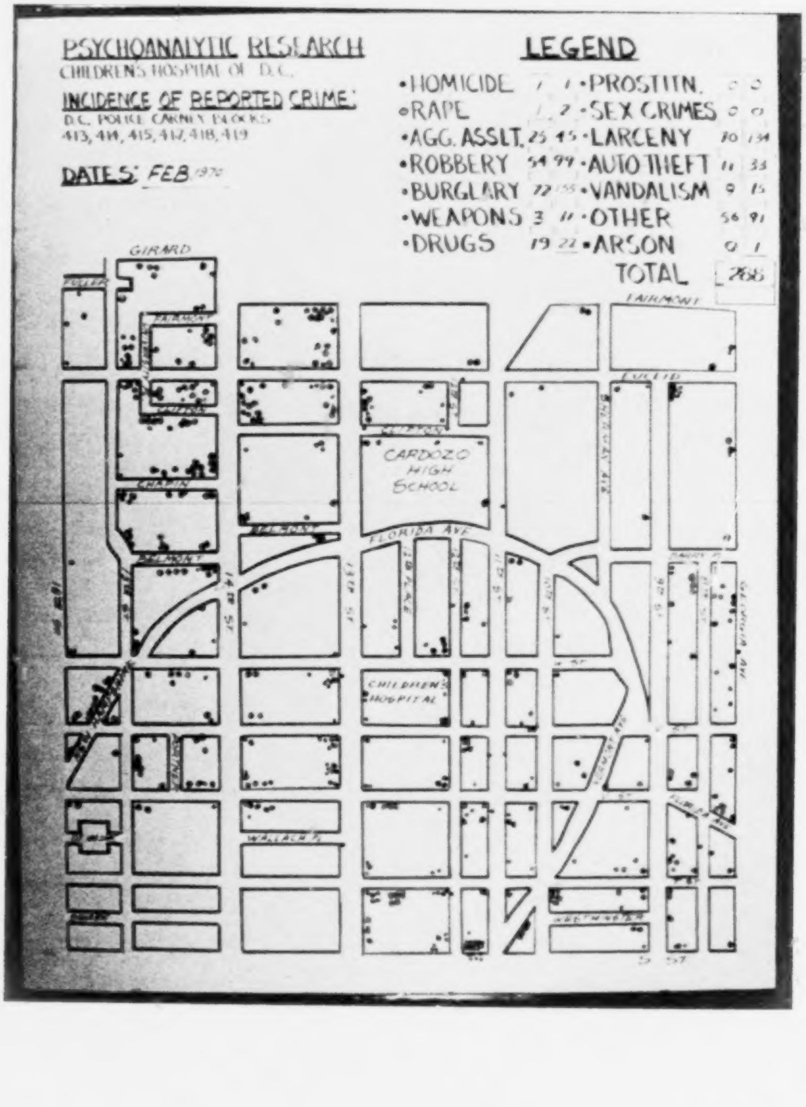


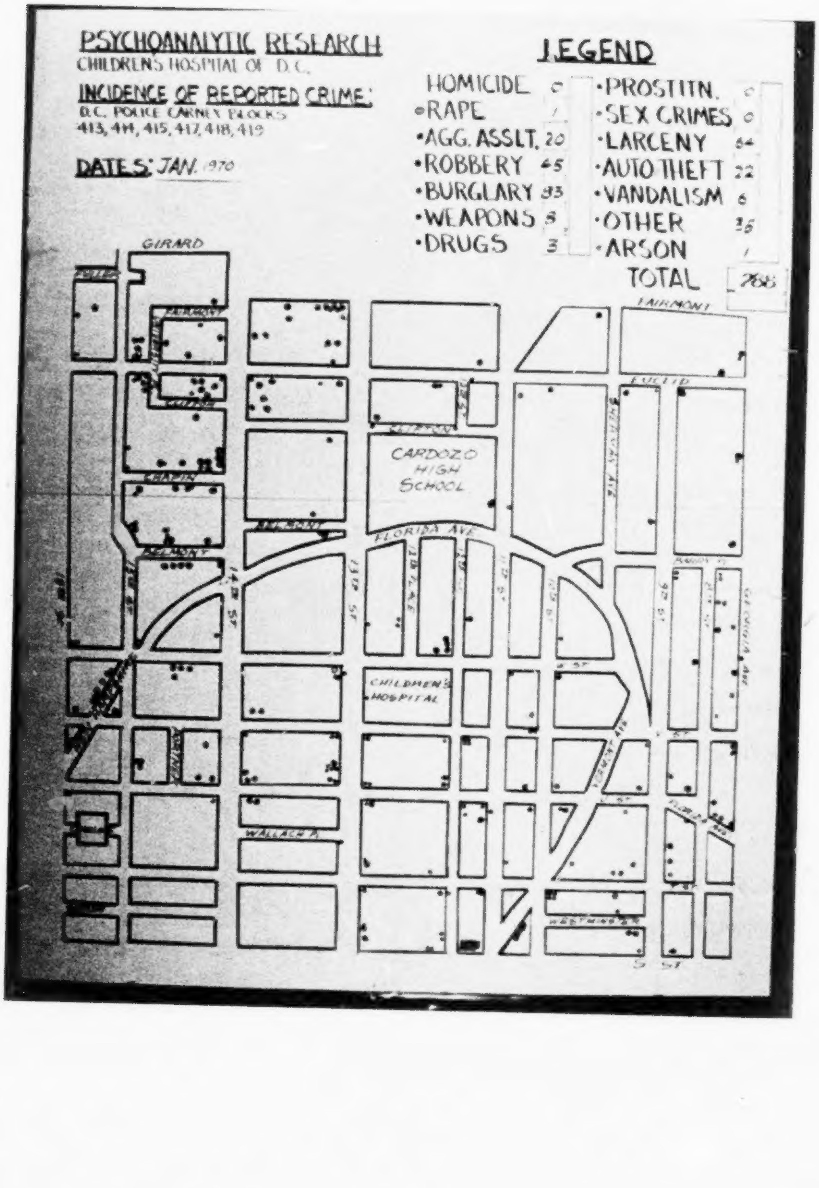
PSYCHOANALYTIC RESEARCH
CHILDREN'S HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: JUNE
LEGEND
•HOMICIDE 3 7
•RAPE 1 10
•AGG. ASSLT. 23 130
•ROBBERY 38 184
•BURGLARY 45 344
•WEAPONS 0 96
•DRUGS 52 102
•PROSTITN. 5 6
•SEX CRIMES 1 2
•LARCENY 85 455
•AUTO THEFT 22 117
•VANDALISM 9 52
•OTHER 21 242
•ARSON 0 5
TOTAL 314 1712
GIRARD
FAIRMONT
EUCLID
CARDOZO HIGH SCHOOL
FLORIDA AVE
14TH ST
CHILDREN'S HOSPITAL
W ST
WALLACH PL
SWANN


PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: MAY 1970
LEGEND
•HOMICIDE 1 4
•RAPE 2 6
•AGG. ASSLT. 28 07
•ROBBERY 48 15
•BURGLARY 96 354
•WEAPONS 7 37
•DRUGS 36 110
•PROSTITN. 7 1
•SEX CRIMES 0 1
•LARCENY 85 370
•AUTO THEFT 3 95
•VANDALISM 14 43
•OTHER 31 22
•ARSON 0 5
TOTAL 380
1398
GIRARD
FULLER
FAIRMONT
EUCLID
CLIFTON
CHAPIN
BELMONT
CARDOZO HIGH SCHOOL
FLORIDA AVE
14th ST
13th ST
13th PLACE
11th ST
10th ST
9th ST
SHERMAN AVE
BARRY PL
GEORGIA AVE
CHILDRENS HOSPITAL
VERMONT AVE
V ST
U ST
WALLACH PL
WESTMINSTER
S ST


PSYCHOANALYTIC RESEARCH
CHILDREN'S HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: APRIL 1970
LEGEND
•HOMICIDE 1 3
•RAPE 2 7
•AGG. ASSLT. 17 79
•ROBBERY 14 103
•BURGLARY 48 258
•WEAPONS 10 30
•DRUGS 36 74
•PROSTITN. 0 0
•SEX CRIMES 1 1
•LARCENY 8 209
•AUTO THEFT 15 64
•VANDALISM 4 26
•OTHER 53 90
•ARSON 2 5
TOTAL 292
1018
GIRARD
FAIRMONT
EUCLID
CLIFTON
CARDOZO HIGH SCHOOL
FLORIDA AVE
14th ST
13th ST
12th PLACE
11th ST
10th ST
9th ST
GEORGIA AVE
SHERMAN AVE
BARRY PL
CHILDREN'S HOSPITAL
VERMONT AVE
W ST
V ST
WALLACH PL
S ST


PSYCHOANALYTIC RESEARCH
CHILDREN'S HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: MAR. 970
LEGEND
•HOMICIDE 1 2
•RAPE 3 5
•AGG. ASSLT. 17 62
•ROBBERY 53 152
•BURGLARY 54 209
•WEAPONS 9 20
•DRUGS 16 38
•PROSTITN. 0 0
•SEX CRIMES 0 0
•LARCENY
•AUTO THEFT 16
•VANDALISM 10 25
•OTHER 46 137
•ARSON 2 3
TOTAL 317 726
GIRARD
FULLER
FAIRMONT
EUCLID
CLIFTON
CHAPIN
BELMONT
FLORIDA AV
CARDOZO HIGH SCHOOL
14th ST
CHILDREN'S HOSPITAL
WALLACH PL
S ST


PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: FEB 1970
LEGEND
•HOMICIDE 7 1
•RAPE 1 2
•AGG. ASSLT. 25 45
•ROBBERY 54 99
•BURGLARY 72 155
•WEAPONS 3 11
•DRUGS 19 22
•PROSTITN. 0 0
•SEX CRIMES 0 0
•LARCENY 70 134
•AUTO THEFT 11 33
•VANDALISM 9 15
•OTHER 56 91
•ARSON 0 1
TOTAL 288
GIRARD
FULLER
FAIRMONT
EUCLID
CHAPIN
BELMONT
CLIFTON
FLORIDA AVE
14TH ST
13TH ST
CARDOZO HIGH SCHOOL
CHILDREN'S HOSPITAL
WALLACH PL
S ST


PSYCHOANALYTIC RESEARCH
CHILDRENS HOSPITAL OF D.C.
INCIDENCE OF REPORTED CRIME:
D.C. POLICE CARNEY BLOCKS
413, 414, 415, 417, 418, 419
DATES: JAN. 1970
LEGEND
HOMICIDE 0
•RAPE 1
•AGG. ASSLT. 20
•ROBBERY 45
•BURGLARY 83
•WEAPONS 8
•DRUGS 3
•PROSTITN. 0
•SEX CRIMES 0
•LARCENY 64
•AUTO THEFT 22
•VANDALISM 6
•OTHER 35
•ARSON 1
TOTAL 288
GIRARD
FAIRMONT
EUCLID
CLIFTON
CHAPIN
BELMONT
FLORIDA AVE
CARDOZO HIGH SCHOOL
14TH ST
13TH ST
CHILDREN'S HOSPITAL
SHERMAN AVE
GEORGIA AVE
W ST
V ST
WALLACH PL
WESTMINSTER
S ST

PSYCHOANALYTIC RESEARCH AND INTELLECTUAL FUNCTIONING OF GHETTO REARED, BLACK CHILDREN*

Dale R. Meers**

Introduction

Psychoanalysis has been criticized as a therapy for the rich and as a psychological system that is at best irrelevant to the profound socio-cultural distress of our time. Rhetoric tends to obscure a measure of truth. Critics appear, however, rather ill informed as to why analysts have not introduced themselves as experts in matters of social change. Our knowledge of psychopathology, for example, remains rudimentary and our understanding of that which is normal, and that which is not, is even less clear (A. Freud, 1965).

---

*Presented at the Eighth Annual Symposium, "The Disadvantaged Child", sponsored by the Milwaukee Psychiatric Hospital and Milwaukee Children's Hospital in cooperation with the Medical College of Wisconsin, November 5, 1971.

**Co-principal investigator, with Reginald S. Lourie, of "Culturally Determined Retardation: Clinical Explorations of Variability and Etiology." Research support is gratefully acknowledged from the Foundation for Research in Psychoanalysis, California; the van Ameringen Foundation, New York; and the Eugene and Agnes E. Meyer Foundation, Washington, D.C. Professional sponsorship of the research is provided by the Children's Hospital of Washington, D.C. and the Baltimore-District of Columbia Institute for Psychoanalysis.

As clinicians, moreover, psychoanalytic expertise is clearly limited to a small spectrum of psychopathology, and psychoanalytic experience even with the transference neuroses is conducive to considerable humility. Psychoanalytic contributions to man's knowledge of the socio-cultural "structures" that shape his superego, his conflicts and his humanity extend beyond the profession's clinical base and necessarily become speculative.

In matters of social relevance, one hardly needs to be a psychoanalyst to recognize bias and injustice. Where appropriate social change is imperative, the analyst's clinical knowledgeability is largely irrelevant, i.e., he too is more a student than an expert. The introspective, deliberative and relatively passive characteristics of psychoanalytic work, and the self selection procedures of individuals who elect analytic training and careers appear antithetic to social activism. Moreover, a point most frequently missed in the non-analytic community, the very anonymity which provides the psychoanalyst with his most effective therapeutic tool (i.e., the transference) is undermined by social or political notoriety. In recognition of this range of limitations, analysts from Freud onward (Jones, 1953) have reflected that their greatest contributions to social change might be in the selection of particular patients who find in their own analyses the potency and drive to engage in meaningful social and political action.

Most psychoanalysts, I am convinced, are reasonably persuaded (from their clinical practice) that variations in both cultural values and social institutions have particular relevance to the types of psychopathology that ultimately emerge in any given time and place. Trans-cultural psychiatric research has been limited by two interrelated problems. First, the concerned professions (psychiatry, social psychology and cultural anthropology) have been unable to conceptually and clinically distinguish between behaviors and affective states that are a) psychopathological and b) those that are culturally "normal", vide ritual murder (Deveraux, 1970). Second, the macroscopic methods of social research do not permit the study of the psychological processes of an individual's mind such that these distinctions between "cultural deviance" and psychopathology can be differentiated. Psychoanalytic microscopy of the life history of any one person provides data on the interchange of culture, social structure and the dynamics of personality development. In this sense, analysis offers a method of studying the manner by which cultures and societies perpetuate themselves via the individual's selective acceptance or rejection of particular values and modes of functioning. Since the psychoanalytic profession holds a monopoly on this method of intensive and extended psychological research, it is my conviction that the profession carries a corresponding collective responsibility for the initiation of relevant research.

With few exceptions, psychoanalytic literature has viewed "intelligence" as an "ego function" that is more genetically than culturally derived. This is particularly anomalous since psychoanalytic theory of ego development is conceptualized as a maturational progression in which the interchange of nurture and drives is quite explicit. Two fascinating and outstanding studies of the interrelatedness of nurture and intelligence attracted my attention many years ago. Skeels' (1964; Skeels and Dye, 1939) sociological research on institutionalized pseudodefective children and Kanner's (1949) psychiatric studies of the brilliance of autistic children, have remained touchstones in my own thinking. Psychoanalytic experience, I have concluded, is fully consonant with Skeels' and Kanner's findings, viz., that failures in early nurture can give rise to a range of anomalies of ego development in which either defectiveness or brilliance may be a consequence. The technique of psychoanalysis extends such psychiatric and social research in facilitating discriminations between developmental defects, developmental arrests and neurotic inhibitions of ego functions. In making such discriminations, the analytic method also elucidates ontogenetic data as to cultural differences ("normal deviance") that contributes to nonpathological variations in ego functions.

The child's vulnerability to severe psychological damage appears directly related to the early age at which psychological trauma may occur. Psychopathological trauma always impairs transiently or permanently some ego functions; the earlier the trauma, the more critical the biopsychological adaptations. I suspect that socio-cultural exposures of children to early and chronic distress are indeed traumatic and that this contributes to particular deformations and inhibitions of ego functions, and thereby to subsequent symptoms (that are conventionally understood as defining mental illness). Since my subject is that of intellect and impediments to ego functions, it is essential to state the obvious, namely that the relationship between mental illness and defects or inhibitions of ego functions is anything but simple. Some psychotics, for example, remain intellectually brilliant and other patients who suffer with severe obsessional neuroses are frequently most gifted in their intellectual, defensive accommodations.

Given the obvious disadvantage and distress of ghetto reared black children, and given their very well documented lower academic functioning, I have continued to be puzzled that few clinical researchers have related these children's academic and intellectual difficulties to their demonstrable potential for psychiatric damage. To state this as a question: could the pervasive, limited intellectual functioning of the disadvantaged black child be a psychiatric symptom that derives from the extended disadvantages of his early years?

Social and Scientific Ramifications of the Problem

Many thousands of black children in our community, and perhaps several million in the nation, continue to manifest a comparative intellectual dysfunctioning. This has often been referred to as "culturally determined retardation." The problem of academic retardation is massive and the condition has proved relatively immutable to a vast range of Head Start type inventions. The omnibus conceptualization of differences in intellectual functions, as is evident in the term "culturally determined retardation," implies a common and oversimplified etiology. Too frequently treated as a homogeneous problem, children who are intellectually impaired suffer from a range of quite different types of dysfunctions. Some children, for example, are undereducated, some are miseducated, and some are readily educable given modifications in either a school system or a child's maturational level. While millions of black children function somewhat lower on academic and I.Q. tests, an indeterminate number of black children function at relatively severely retarded levels, i.e., I.Q.'s of 60 to 80. It is the latter population that has been my predominant concern. In the early days of my research, I was impressed with the consonance of my clinical experience with that of a New York legislative survey (New York Times) that concluded in 1967 that some $30,000,000 was spent in that state for academic babysitting with approximately 10,000 children who appeared to the researchers as more disturbed than retarded.

Many academic problems are tragic, and some schools are simply poor. These types of problems are readily identifiable and give rise to appropriate concern for their earliest modification. Yet institutional failures only account for the fact that our children may be miseducated or undereducated. If psychologically free to learn, then children could use remedial programs to fill in the gaps in their education at a later time. It has become clear, however, that arguments on the ease of remediation entail much wishful thinking, and, too often grossly oversimplify very complex social-psychological processes. Even our better inner city schools find a relatively large percentage of children, perhaps up to 40% (Passow, 1967; Coleman, et al. 1966), who cannot or will not make use of remedial options. Studies continue to confirm that the inner city black child is not only behind national norms in his early years, but that his disadvantage increases with each successive year of school attendance (Coleman, 1966). Because of genetic preconceptions of inheritable intelligence, the lower academic level of black children has been invidiously interpreted by many as derivative of "racial" inferiority. The massiveness and pervasiveness of depressed scoring of black children has lent credence to such arguments. Jensen's (1969) resynthesis of preexisting test data is the latest, most conceptually sophisticated statistical effort.

Genetic speculations on "race" and intelligence defy, in my view, efforts at logical rationalization (Erlich and Holm, 1964; Penrose, 1952; UNESCO, 1950). Since some scientists, even at the level of the National Academy of Science, are prepared to revive a controversy that lacks scientific definition of either race or intelligence, it seems probably that such interests reflect emotional, prejudicial preconceptions. Central to "racial" contentions, and lacking any meaningful genetic or chromosomal evidence that I am aware of, an assumption is offered that all relevant variables can be held statistically constant in comparisons of intelligence test functioning of populations such that any variations between "races" are then inferentially attributable to some genetic, "racial" attribute.* Jensen's readiness to ignore the limitations of a null hypothesis has led him to extend statistical inference with speculative conclusions that are a testimonial to nonempirical, ivory tower views of ghetto realities. Jensen, among others, has denied that child rearing in the black ghetto includes deprivations that are beyond statistical control. He concludes, moreover, that only severe deprivations such as occurred in Skeels' population, could account for significant variations in intellectual functioning. This view reflects the considerable clinical ignorance of many academicians of the range of developmental, environmental insults that children survive with clearly demonstrable severe impediments to both physical and psychological normalcy even where the environment is not overtly, severely deprivational (Ribble, 1944; Kanner, 1949; Silver and Finkelstein, 1967; Powell, et al, 1967). Parenthetically, I would add that the black population makes a small but meaningful contribution to the white social scientists' and educators' ignorance. Few blacks share their experiences and feelings even with their closest white friends--and even more rarely with researchers. Children of the ghetto, as I have learned, are close mouthed with almost all adults, including their parents. The most sorrowful and tragic of family experiences go unreported and unrecognized outside of a very few family or street intimates.

---

*Crow (1970) offers an excellent evaluation of Jensen's rather brilliant, if misguided paper.

Many people have disputed the Jensen-type statistical arguments by derision of I.Q. tests as irrelevant and culture bound. In my view, this is a logical error. Benet, the father of psychometrics, knew full well that the tests he designed were culturally biased--as do all knowledgeable psychometricians of our day, including Jensen. I.Q. tests remain, whether one likes it or not, our most reliable instruments in making effective predictions as to the educational future of students within the structure of our present educational systems. I have heard professionals, who I consider romantically misguided, argue for another form of test that would demonstrate the ghetto's exemplary education in practical survival. But we do not, and I suggest we should not train or test for "survival quotients" in the very ghettos that the residents would like to escape. Genetic theoreticians should, I conclude, be disputed where they are the most ignorant, namely on their too ready assumption that conditions of the poor black and the poor white are separate but statistically equal.

Psychotherapists across the nation are readily prepared to conceive of "educational retardation" by reference to terms such as underachievement, poor motivation, pseudo-retardation, school phobias, reactive depression, etc. These are all familiar, descriptive labels that we find associated with the "exceptional child," as we euphemistically describe the retarded, middle class, atypical white child. The massiveness of underfunctioning of the black child, I'm persuaded, has covertly prejudiced the conceptual imagination of the white professional. Is it possible, I would repeat, that the epidemic proportions of intractable, severe retardation of black children may be symptomatic of psychiatric dysfunctions that only selectively impair a relatively few of our white children?

Psychiatric clinicians share with many educators a particular awareness of the acute sensitivity of children to modifications in their life circumstances. Injuries, separations, deaths in the family, fear and loneliness can all produce striking consequences in both the child's latent mental endowment, and in the motivation that is essential to his exploitation of his potentialities. The disadvantaged black child has been chronically exposed to undue risks since conception onward, e.g., to interuterine damage, to postnatal nutritional deficits, to maternal deprivation and traumatic psychological damage (Ainsworth, 1962; Blodgett, 1963; Chess, 1969; Pasamanick, 1946; Winnecott, 1960), all of which may impair intellectual capability. Yet, the psychiatrist, the psychoanalyst and the child development researcher have had scant experience from which to directly consider the impact of particular environments on any one individual's intellectual functioning. Where social, cultural and "racial" factors compound our ignorance, both researchers and social planners lack such simple and basic data as: in the context of the black ghetto, what constitutes psychologically "normal" behavior at different chronological ages? Behavioral differences of ghetto children are frequently understood pejoratively, as if difference (from some socio-cultural norm) were evidence of moral deviance. Indeed, there is evidence that some cultural characteristics of the black, e.g., physical expressions of heterosexual conflicts, are invidiously considered as prima facie evidence of psychopathology. Alternatively, a reverse prjudice appears evident in underdiagnosis, in which severe pathologies, such as schizophrenia are misdiagnosed as "cultural retardation" (Grier and Cobbs, 1968).

Psychoanalytic Research:

Our research has been discussed more extensively elsewhere (Meers, 1970). That research is miniscule in its sample, tentative in its findings, and insecure in its financial continuity. I write of it with a verve and conviction born of my several years of commitment. I need to caution my readers, and perhaps myself on ocassion, that our data is not scientifically clear or conclusive. This research began in 1966 with an observational study of ghetto school classes that continued for two years. This initial observational study then led to the analyses of two children who were selected for their "representativeness". Since my work continues at this time, I have deliberately distorted certain facts that are irrelevant to this paper to insure greater anonymity of both the children and the schools concerned.

In an effort at personal orientation to a black school community, it was my pleasure to obtain invitations to particular schools as a psychiatric consultant. In return for the opportunity of observing classes, I provided advice and liaison for psychiatric referrals of those children whose teachers were concerned with them. Thirty percent of one school's first grade had been designated as too retarded for a normal curriculum and they had been assigned to two special remedial classes. I will comment on but one class, which became my object of particular concern. I had elected to study first grade classes because I had hoped to see children before they were exposed to any circular repetitions of difficulty within a school that might then obscure indigenous characteristics of their mental functioning. My interest has been to look at the influence of environment and "culture" on mental functioning. In fact, however, the first grade remedial classes already included children who had two and sometimes three years of unsuccessful previous experience. My first patient, then six years old, was selected from one such class. Since circular, repetitious difficulties had already developed for many in the first grade, I subsequently studied kindergartens and selected my second patient from one such class.

Of the particular classes I observed during these two years, all of the children and three of four teachers were black. Because of the overt hostility between one class of students and their black teacher, where the latter was chronically, manifestly angry and dramatically controlling of her class, it was impossible to see much of the children's spontaneous modes of speech or thinking. The class I refer to here was conducted by a warm and engaging, enthusiastic and powerfully built woman. Even within this class of academically "retarded" children, the range of dysfunction was marked, and the teacher had logically separated the children into three performance groups. Relating herself to their considerable differences in skills and involvement, the teacher consented to a controlled bedlam. In the absence of the teacher's direct attention, in the midst of organized confusion, some children would stare into space, others would poke and joke with each other, and a few put their heads on ther desks to doze. The preponderance of the children were singularly uninvolved in their own education. Over time, the various children were discussed in private, particularly where it was apparent that one child or another was in need of medical attention, of possible protection from beatings at home, when a child had arrived from out-of-state without parents and had no place to go directly after school, etc. There was scant evidence of any observable psychopathological symptoms among children who were knwon to have been physically traumatized. Absenteeism, however, was so extended for some children that school phobias appeared as a possible symptom choice. Most remarkable, from my vantage, was the inhibition of aggression and relative gentleness of the children. In the years of my observation, both in class and on the playground, I did not personally witness one serious, intentional assault of one child on another, though this was common among older children.

Contrary to psychiatric descriptions of low frustration tolerance, impulsivity and acting out of lower class children, black or white, those that I observed appeared at this age as remarkably controlled. My observer status, however, failed to give me meaninful psychological data on the questions that interested me most. I proposed, therefore, to take two children from remedial classes into treatment who were "representative" in terms of academic difficulties and socio-cultural factors. I offered the teachers the idea that since conventional, remedial efforts were not successful, that I would provide treatment on a five day a week basis. Parental support came quickly, and has continued most positively even under extremely trying family circumstance .

Questions of Color

There is a broad clinical and educational consensus that the total effect of color prejudice impairs the black child's sense of self respect, and contributes to an unconscious set of expectations and defensiveness towards the predominantly white world (that is at best indifferent about him as a person). Kindergarten children, as I was reminded by a black teacher who was pleased to have me on exhibit, see white men in police cars, at hospitals when the children are hurt, as bill collectors, as supervisors of black work crews and as the "envied others" portrayed in luxury on national T.V. Exposed to riots, National Guard confrontations and incipient black racism, the black child manages some sense of perspective for himself. I found it quite awesome to have three five-year-old boys question me in a kindergarten class one day as to what I was. In as serious a manner as I have seen in a child, one of the more open boys asked me if I wasn't white. I asked him why he asked, i.e., what did I look like to him? He intensely repeated the question twice more, providing no clues as to his motivation in asking. I then responded that I was called white, as he was called black, and the child nervously blurted out: "Man! They're gonna kill you!"

I tend to agree with the black view that whites probably never fully understand what it is like to be black in this country. What may be missed in this generalization, however, is the fact that color perception is highly subjective. The fact that I am neither white nor my patients black is not the issue. The question is one of emotions rather than gradations of discernable color. Depending on the status of my patients' fears and injuries, I am sometimes very tan and at other times an albino honkey. As a subjective impression, I am persuaded that black parents are prepared to have a white clinician see their child because of habituation, because there is little choice available, and possibly because they harbor convictions that continued association may help their child and themselves with the white establishment. I have found the parents and grandparents of my patients prepared to test my sincerity and commitment with cautious optimism. With each family, I have had an increasing acceptance which has extended each year such that privileged information not shared with close friends or relatives has become available. Yet, I am still also surprised to find particular types of information that have been withheld for over four years; I am still learning simple but important facts that I would have expected to be open from the early days of analytic work. Trust is conditional and my apparent color is not an irrelevant variable.

The relative ease of my working relationships with black children has interested some black psychoanalysts, and I have heard some interesting speculations. One black analyst suggested that black patients have a very striking, very early negative transference with black therapists. Butts (1970) suggested that this negative reaction appears to be precipitated by the evidence of the black professional's apparent freedom from the prejudice that plagues the lower class black.

The completeness with which the black patient initially disassociates himself from the white therapist, limits, in this view, the black's direct envy. With black children, however, I suspect the problem is more elemental. Though the pain and sorrow of the black child may be a consequence of white exclusions, denigrations or indifference, in his early formative years, the black child is only indirectly exposed to whites. For the very young child, and it is with the young that unconscious defenses are consolidated, if one hurts, it is because one's parents have failed to protect and nurture. The black child is exposed to deprivations by black parents, and color discrimination of the black may begin with the child's conclusion that if one were white it would be different. Analytic experience with children who have survived Nazi death camps provides an object lesson in this regard. Observing that authority, the power to punish or kill lies with the uniformed guards and that it is the parents and the child who are behind bars, such children evolved convictions of their own badness, despite the most patent evidence of the sadism of their persecutors (A. Freud and Dann, 1951; Gyomroi, 1963).

Questions of Criteria, Ethics and Effectiveness of Psychoanalytic Treatment

The criteria for assessing the analyzability of patients usually includes the following: the patient should be 1) consciously motivated for treatment by the painfulness of his symptoms, 2) he should be verbal, 3) psychologically insightful, 4) intelligent, and 5) sufficiently controlling of impulses that anxieties can be scrutinized rather than relieved by acting out. These are undoubtedly desirable characteristics for any psychotherapeutic patient. In private discussions, yet not too frequently encountered in the literature, one hears such criteria cited to sustain pessimistic views of the use of insight therapies with black children. Most briefly, I would like to comment on each of these criteria.

First, patients who are not in pain, who do not conceive of their pain as symptomatic, clearly work less purposefully in psychotherapy. This is particularly true where patients belive that the only source of the discomfort is the world about them. In this respect, most children, white or black, respond to analysis much like adult patients with character disorders where the effectiveness of analysis is often very slow. This problem is characteristic of all child analysis and distinguishes it from most analytic work with adults.

Secondly, it is simply incorrect to conclude that black children are not verbal. While there are vernacular and syntactical differences between the ghetto reared black child's verbal skills and my own, I have never found significant differences between the volume of output of black and white, rich or poor children. Some problems in communication are cultural but most derive from dynamic considerations. All children communicate something, even when they are relatively silent and most children talk fairly readily with a therapist who is responsive to the child's moods and his immediate needs.

Thirdly, psychological insight involves ego processes that can be damaged by defensive inhibitions. Such inhibitions are the very subject of analytic exploration and treatment. That is, if there is an impediment to "insight," this is a reason for analysis and not an argument against it. My young patients became very experienced practicing psychologists in their tender years, and long before I introduced them to the notion that their psychological skills could be extended to solve their own difficulties.

Fourthly, it is probably that some brain damage or cortical dysfunctions may affect intellect sufficiently to preclude psychoanalytic therapy. Analysis does not, however, concern itself with esoteric problems of higher mathematics or physics. The subjects that must be intellectually grasped are those of immediate, emotional importance. My patients are, in fact, intellectually impaired. If our research hypotheses are correct, however, then even this limitation to the use of analysis should modify with therapeutic change as defenses and impairments in ego functions become less necessary.

Fifthly, the last criterion I will consider concerns the child patient's capacity for control of tension and anxiety such that this becomes a subject of analytic exploration. This problem is also general to all child analysis, and to particular forms of adult neurosis. It is diagnostically relevant in assessing , quantitatively, the child's potential for modification of a form of drive discharge that is normal to childhood. Analysis of children from cultural backgrounds where drive discharge is encouraged presents a particular technical problem. But I would defer this point at this moment since it also bears on special problems of differential diagnosis.

A question of ethics has been raised by a number of analysts and psychiatrists. I have heard it contended that it is a psychiatric disserive to analyze the severely disadvantaged child since he will necessarily continue to live in circumstances beyond his control and greater psychological awareness can only leave him vulnerable to more acute emotional injury that his defenses, before analysis, had protected him from.

Freud's views of the eventual extension of analytic treatment for the poor have been indirectly referred to in this context. In 1919, Freud offered a conservative and pessimistic commentary on the social structure of his day, viz.: "We shall probably discover that the poor are even less ready to part with their neuroses than the rich, because the hard life that awaits them if they recover offers them no attraction, and illness gives them one more claim to social help" (p. 167). Freud could not have anticipated that the caste system of the U.S. today would permit our black families to send a higher proportion of their children to college than the present white working class of Great Britain. But the ethical justification for psychoanalytic treatment of disadvantaged children is more elemental and should not be restricted to considerations of relative class mobility within a static caste system. Few things in reality are as damaging as a life-long, psychopathological impairment and exhaustion that derives from neurotic conflict or clinical depression. My patients' neurotic conflicts, particularly their defenses against their own unconscious sadism, have led to severe impediments in reality testing. They have suffered chronically from accident proneness, psychosomatic illnesses, and not infrequently from their own masochistic inviations to the environment to injure or punish them. However provisional my conclusions on the first successes of their treatment, I am most impressed with their tentative retreat from masochistic tendencies. However difficult life in the ghetto can be, the ghetto is not homogeneous and with increasing discrimination children prove able to take more from their milieu when they are less psychologically constricted. If our black families are to effectively modify or escape the environments and bias with which they live, they need insight and not an escape via distortions of reality that derive from psychopathology (or drugs).

A last theoretical issue has been raised as to whether the treatment of my patients is "truly" psychoanalytic, or merely an intensive form of psychotherapy. That is, does this therapy become an effective vehicle for transference interpretation, which is the core of psychoanalytic modification of psychoneurotic pathology. The question is important in considering the choice of therapy for given types of psychopathology. While I defer aspects of this question for later consideration, I would like to note my impressions on the frequency of treatment for severely disadvantaged children. It is the experience of many psychiatrists that once weekly therapy is met by a profound resistance, particularly manifest in failed appointments. In the cases of nonintensive therapy that I have seen, supervised or consulted on, vague stirrings of hope seem to elicit expectations of bitter disappointment that would be sure to follow. The loosening of defenses in once weekly therapy, which is preparatory to better modes of adaptation, leaves children to cope without therapeutic relief for a time span that seems interminable. Where therapy is made available daily, however, it becomes possible to better sustain the child's therapeutic work and to clarify and resolve fears of disappointment and rage that are common to attachment and unreliability of adults.

Questions of Diagnosis

Freud concluded, as have most analysts since him, that man's susceptibility to psychological distress can be best understood in terms of the origins of conflict. Nonanalysts readily accept that psychological conflict arises continuously from demands made upon an individual by others external to himself. While there have been some dissentions in the profession, most psychoanalysts appear to concur with Freud that mankind is genetically heir to internal conflicts that derive from opposites within himself that are mutually incompatable. Freud saw these internal conflicts as deriving from man's bisexual and passive-active potentialities. The primary interests, however, of psychoanalytic clinical practice has been with a third form of conflict, that which we term internalized. Such interpsychic conflicts derive from the child's internalization of socio-cultural values that require particular renunciations or displacements of his elemental, instinctual drives. Such internalized conflicts become manifest by their resolutions in the structure of one's superego, one's character or symptoms.

External conflicts arise from the object world that makes demands on the ego for accommodation. When external conflicts are sufficiently trying that the individual cannot readily master his distress, as is not uncommon in childhood and illness, we are accustomed to seeing a range of consequent symptoms. Regressive emergence of night terrors, of tics, stuttering, phobias, psychosomatic complaints, etc. are relatively common in the face of acute childhood distress. But the transience of such symptoms and the earlier developmental history of a patient provide diagnostic evidence when such symptoms are not psychoneurotic, i.e., that such symptomatology is only a response to external conflict.

Analysts have typically treated individuals who have a large measure of autonomy in the ordering of their daily lives. Particular maturational and social conditions, however, may severely limit one's autonomy and control of one's person or relationships. Such conditions include, for example, such diverse phenomena as pregnancy and military service, each condition condusive to regressions and particularly acute symptoms that carry psychiatric labels of postpartum psychoses and combat neuroses. Both psychiatric conditions tend to improve dramatically when the individual is no longer a captive of his or her status.

In the inexhaustible reservoir of one's narcissism, one wants to believe that one's own ego is relatively immune to the intrusions of bizarre, instinctual, primary process ideas and feelings. Miller's paper "Ego Autonomy and Sensory Deprivation, Isolation and Stress" (1962) provides a fascinating review of literature concerning persons who 1) have involuntarily lost control of their autonomy via accident or imprisonment, and 2) those who volunteered for immersion tank experiments that limit external stimuli. These findings document that the relative strength and stability of ego functions are partially determined by man's capactiy to ensure a continuous feedback of sensory and social data that will reaffirm his expectations. Involuntary, solitary confinement of prolonged duration contributes to chronic fears of insanity and obsessive efforts to keep one's mind doing some form of busy work. Sensory deprivation provides extremely rapid innundation of the ego with feelings and ideation that is profoundly distressing even to normal subjects.

Chronic external conflict and distress appear, to me as a condition of ghetto life in which the child is threatened by a flood of unpredictable stimuli. If we are to diagnostically assess the nature of the ghetto child's mental health, then we must be prepared to distinguish between 1) symptoms and regressive, adaptive behaviors that are situationally reactive to *external* conflicts, and 2) those symptoms that derive from *internalized* conflicts (that remain intractable in the face of environmental change). Let me try to make this distinction more clear by two illustrations.

Genie was a responsive and alert five-year-old; she is not one of my patients. Her kindergarten teachers were distressed with a precipitous change in which Genie's manner became vacant, her mood depressed, tense and frightened; her understanding of conventional class activities dissolved. Clarification with the child's mother, who was even more distressed, provided an immediate, probable answer to Genie's symptomatic change. She had been raped by an adult in her home. Psychobiological trauma does not necessarily lead to neurotic, internalized psychopathology--that outcome is based both on the child's pretraumatized mental status and her subsequent adaptation to the trauma. I use this particular tragedy to illustrate that Genie's psychological symptoms represent accommodations to external trauma. We should be even more concerned, after the fact, if a five-year-old was not emotionally affected by such an event. Virgil, who is one of my patients, was a most self possessed five-year-old. He was adamant about taking directions that did not suit him, and efforts to obtain his compliance, for example, led to Virgil's walking out of kindergarten or to physical struggles with any teacher who tried to stop him. Virgil was chronically inattentive, wanting to return home whenever his anxieties emerged. His subsequent analysis documented that his upsets were more or less concurrent with his mother's beginning deterioration on heroin, when she would disappear for days while "hustling" to finance her drugs. Given Virgil's chronic worries about his mother's absences and disorientation, one might diagnostically conjecture that Virgil's symptomatic behavior was also reactive and only situational. As Virgil's analysis has continued to document, however, the situational traumas of everyday life merely obscure Virgil's neurosis.

Virgil suffers from chronic anxiety irrespective of external events. The realities of his life compound his intra-psychic conflicts and even in the absence of adult controls or recriminations, he turns his aggression back on himself in a range of accidents and provoked punishments that have seemed unending. Virgil's masculinity has a profound sadistic base, and his compensatory defenses have led to regressive, passive, effeminate accommodation. Virgil's dominant fears are of his painfully emerging fantasies and dreams of being a girl. Such passivity and effeminate inclinations, however outrage the boy's self esteem, and his acting out appears as a chronic need to re-establish his sense of masculinity.

In the course of my analytic work, I became most curious about the realities of violence in the neighborhoods in which my patients lived. It was my wish to identify the type and incidence of crime that might have an immediate impact on my patients. With the help of the District of Columbia's Police Department*, data was identified for 1970 for each street within an area seven blocks square around the homes of my patients. The number of blocks was a compromise between police reporting methods and what I conjectured might be a child's view of his own neighborhood, i.e., about three blocks in each direction. "Crime profiles" of the child's neighborhood, color coded by type of crime, were particularly dramatic (and too expensive for reproduction in a journal). The following data are for the area contiguous to Virgil's home. They include the total reported crime for the year 1970:

---

*Captain Herbert F. Miller, Operations Planning Branch, Metropolitan Department of Police, was particularly helpful in making this data available.

Homicide:	17	Prostitution:	30
Rape:	16	Sex Crimes:	4
Aggravated Assault:	320	Larceny:	1037
Robbery:	568	Auto-Theft:	251
Burglary:	794	Vandalism:	118
Weapons:	117	Other:	453
Drugs:	371	Arson:	11
	Total:		4107

These police data are a conservative statement of criminal activity. Estimates on the under-reporting of crime vary from 30 to 70%. Moreover, most crimes against or by children are unreported even to their parents. Ghetto convictions as to the bias, disinterest or impotence of the police contribute to such under-reporting. But the pride of ghetto families also restricts reports of manifestly criminal behavior within families. Thefts, beatings and rape have been reported to me by almost every family I have known clinically, i.e., without police reports having been made. Whatever the exposure of the ghetto child to the trauma of the streets, his vulnerability appears greatest in his earliest years when distress and overexcitation occur in the relative privacy of his own home. Rorschachs of many black mothers* of the inner city look like those of psychotics or patients who have been in analysis for some time (Layman, 1970). It is my suspicion that this type of Rorschach response reflects accommodation to the over instinctualization of ghetto life. It is my further conviction that the failure of society to provide minimal family security and protection have direct and serious regressive effects on ego capacities.

---

*Layman's study included "normal" mothers, mothers with children in psychiatric treatment, and mothers of pica children. The Rorschachs were more striking for thier similarities than for their differences.

Differential diagnosis of psychopathology in black children is further complicated by the subculture's tolerance of behavior that is "deviant" from the diagnostician's conceptualization of "normalcy". Different cultures value or disparage quite different attributes in their children. If a particular mode of childhood adaptation that is psychologically determined, such as crying or clinging, is rejected within a culture, these adaptations do not easily survive. In conventional psychoanalytic practice, we are impressed with the fact that an instinctual regression from heterosexual potentials may lead to anal, sadomasochistic adaptations. Depending upon the structure of a patient's morality, anal expressions of symptoms may then be profoundly distressing both to the patient and his parents. In such instances, we are accustomed to seeing yet another regression in which, in this example, anal symptomotology may be displaced and become manifest in oral terms. While all children throughout the world may have common genetic potentials for particular sequences of adaptation or regressions, the culture will partially determine which of these expressions will be acceptable or rejected. I am reminded of a vastly experienced pediatric psychiatrist's account of a particular hospital's cure of enuresis. If consultation did not effect a transference cure, a preliminary study was begun with a small catheter. If wetting persisted, a more extended examination followed with a larger catheter. Few children's enuresis appeared to survive this regime, which one might characterize as the child's symptomatic accommodation to a medical culture.

Life has been hard for the ghettoized parents I have come to know. Their own education in hard knocks leaves them little prepared to spare their own children. And current hardships and frequent emotional distress, endemic with adults, leave parents little emotional freedom to sustain their own youngsters. When childhood symptoms emerge that are offensive, such as transvestism, anal masturbation, anxiety hysterias, etc. they appear very short lived in the face of profound parental interdiction. Cultural values of the ghetto resident black family appear to more readily sustain other forms of symptomatic adaptation, particularly discharge of anxiety or tension by action. We are familiar with particular types of drive displacement in the defense we call "identification with the aggressor" (do unto others as is done unto you). Isolation of affect, in which feelings are separated from what the child experiences, also appears culturally syntonic and common to many children. Since I have noted the relative passivity of younger children, and now refer to their discharge of anxiety by action and sadistic acting out in later years, let me add that this transition appears to me as a change in defensive adaptation. Lacking clinical data on this metamorphosis, I have speculated elsewhere (Meers, 1971; Meers and Gordon, 1971) on the dynamics of such change. In the present context, my intent is only to raise the issue of whether a subculture sustains or rejects particular symptomatic solutions.

If my diagnostic speculations are more or less true, then it is probable that symptoms that customarily define the neurosis of the middle class white child will not be the same for the ghetto reared black child. The latter children, in my experience, evidence such manifest symptoms as impulse disorders, reactive depressions, isolation of affect, etc. If these symptoms are a secondary response that follows the primary emergence of symptoms, then meticulous developmental histories should evidence the basic neurotic nature of the psychopathology (that is masked by symptoms culturally sustained in the milieu). Psychoanalysis is an enormously costly form of research and therapy. Yet it provides the only clinical method I know of to effectively discriminate between symptoms that are situational (external) and those that are psychoneurotic (internalized).

My own research is quite limited, both by my research objectives and by the number of patients I can see. From my vantage, one of the appropriate professional contributions of psychoanalysis to social action is in this type of selection of a socially significant problem where the analyst's unique technical opportunities, rather than his prestige, may realistically contribute scientific knowledge of the consequences of social action or inaction. While my provisional findings have been reported elsewhere (1970), I would note here that my patients' worst apprehensions have been continuously confirmed by the experience of their most tender years. They have consolidated views of themselves as less than beautiful, less than adequate, as marginal children of marginal families in an ambivalent "racial" community. The psychological microscopy of our work has outlined severe ego impediments which include both subtle and gross distortions of perception and memory, and extend to chronic self devaluations that affect motivation.

Let me recall that the initial selection of children was based on their apparent representativeness; they did not manifest observable evidence of psychopathology. If these children, Virgil and Naomi, are representative, the evidence from the children's treatment suggests that both they and their families pay a horrendous price for society's indifference and the subculture's incapacity to effectively protect them. If our sample is representative, then the very best of analytic, psychiatric or educational help will never begin to compensate for the lack of effective community action. If further research should substantiate our tentative conclusions, that retardation of the ghetto child is a culture-specific expression of psychopathology, we will have incidentally rebutted one of the contentions of many genetic determinists. More significantly, however, extensive documentation of the psychiatric injury of our children might serve as a further, dramatic stimulus to direct social and political action.

REFERENCES

1. Ainsworth, M.: The Effects of Maternal Deprivation. In: *Deprivation of Maternal Care*. Geneva: World Health Organization, Public Health Papers 14, pp. 97-159, 1962.

2. Blodgett, F.M.: Growth Retardation Related to Maternal Deprivation. In: *Modern Perspectives in Child Development*, ed. A.J. Solnit & S. Provence. New York: Int. Univ. Press, pp. 83-93, 1963.

3. Butts, H.: Personal Communication, 1970.

4. Chess, S.: Disadvantages of "The Disadvantaged Child." *American J. Orthopsych*, 39: 4-6, 1969.

5. Coleman, J.S.: Equal Schools for Equal Students. *Pub. Interest*, 4: 70-75, 1966.

6. Coleman, J.S., Campbell, E.Q., Hobson, C.J., McPartland, J., Mood, A.M., Weingeld, F.D., York, R.L.: *Equality of Educational Opportunity*. Washington, D.C.: Department of Health, Education and Welfare, 1966.

7. Crow, J.F.: Genetic Theories and Influences: Comments on the Value of Diversity. *Harvard Ed. Rev*. Vol. 39, No. 2, 1970.

8. Deveraux, G.: Normal and Abnormal: The Key Concepts in Ethnopsychiatry. In: *Man and His Culture*, ed. W. Muensterberger. New York: Taplinger Publishing Co., 1970.

9. Erlich, P.R. and Holm, R.W.: A Biological View of Race. In: *The Concept of Race*, ed. A. Montague. New York: Collier-Macmillian, 1964.

10. Freud, A.: *Normality and Pathology in Childhood*. New York: Int. Univ. Press, 1965.

11. Freud, A. and Dann, S.: An Experiment in Group Upbringing. *Psychoanaly. Study Child*, 6: 127-169. New York: Int. Univ. Press, 1951.

12. Freud, S.: Lines of Advance in Psychoanalytic Therapy. *Standard Edition*, 17: 159-168. London: Hogarth Press (1919), 1955.

13. Grier, W.H. and Cobbs, P.M.: *Black Rage*. New York: Basic Books, Inc., 1968.

14. Gyomroi,E.L.: Analysis of a Young Concentration Camp Victim. *Psychoanaly. Study Child*, 18: 484-510. New York: Int. Univ. Press, 1963.

15. Jensen, A.R.: How Much Can we Boost I.Q. and Scholastic Achievement. In: *Harvard Ed. Rev*. Vol. 39, No. 1, 1969.

16. Jones, E.: The Life and Work of Sigmund Freud, Vol 2. New York: Basic Books Inc., 1957.

17. Kanner, L.: Problems of Nosology and Psychodynamics of Early Infantile Autism. Am. J. Orthopsych., Vol. XIX, (3), 1949.

18. Layman, E.: Rorschach Studies of Mothers. In: Pica and Lead Poisoning, eds. F.K. Millican and R.S. Lourie (unpublished manuscript), 1971.

19. Meers, D.R.: Contributions of a Ghetto Culture to Symptom Formation. Psych. Study Child. New York: Int. Univ. Press, 1970.

20. __________: Crucible of Ambivalence: Sexual Identity in the Ghetto. Psych. Study Soc. In press, New York: Int. Univ. Press, 1971.

21. Meers,D.R. and Gordon, G. : Aggression and the Psychoanalysis of Ghetto Reared American Negro Children: Structural Aspects of the Theory of Fusion-Defusion of Drives. Presented at the 27th International Psychoanalytic Congress, Vienna, July 29, 1971.

22. Miller, S.: Ego Autonomy in Sensory Deprivation, Isolation and Stress. In: Int. J. of Psych., Vol. 43 (1): 1-20, 1962.

23. New York Times: Disturbed Pupils Held Neglected, March 26, p.37, 1967.

24. Pasamanick, B.: A Comparative Study of the Behavioral Development of Negro Infants. J. Genet. Psychol., 69: 3-44, 1946.

25. Passow, A.H.: Summary of Findings and Recommendations of a Study of the Washington, D.C. Schools. Teachers College, Columbia University (mimeographed), 1967.

26. Penrose, L.S.: The Race Concept, Results of an Inquiry. Paris: UNESCO, 1952.

27. Powell,G.F., Brasel, J.A., Raiti,S. and Blizzard, R.M.: Emotional Deprivation and Growth Retardation Simulating Idiopathic Hypopituitarism. New England J. Med., 276 (23) pp. 1279-83, 1967.

28. Ribble, M.A.: Infantile Experience in relation to Personality Development. In: J. Mc V. Hunt (ed.) Personality and the Behavior Disorders, Vol. II. New York: Ronald Press Co., 1944.

29. Silver, H.K. and Finkelstein, M. Deprivation Dwarfism. J. of Pediat. 70 (3), pp. 317-24. 1967.

30. Skeels, H.M.: "An Interim Brief on the NIMH-Iowa Follow-up Studies Relative to Mental Retardation, Dependency and Maternal Deprivation." Mimeographed, 1964.

31. Skeels, H.M. and Dye, H.B.: A Study of the Effects of Differential Stimulation on Mentally Retarded Children. Proc. Amer. Assoc. Ment. Def., 44: 114-136, 1939.

32. UNESCO Citation: The Race Concept. Paris, 1950.

33. Winnicott, D.W.: The Theory of the Parent-Infant Relationship. The Maturational Processes and the Facilitating Environment. New York: Int. Univ. Press, (1960), 1965.

TRAUMATIC AND CULTURAL DISTORTIONS OF PSYCHONEUROTIC SYMPTOMS IN A BLACK GHETTO*

by

Dale R. Meers**

Introduction: Approximately six years ago, as an outgrowth of a general research project concerned with what has been termed "culturally determined retardation," I began an observational study of first grade and kindergarten children in a well known ghetto of Washington, D.C. Starting with the vague hypothesis that the nature of the ghetto child's nurture and environment might have something to do with his ego functions and the 30% rate of academic retardation evident even in the first year of school, I started two such children in psychoanalytic treatment. From the schools' population of academically retarded children, I attempted to select two youngsters who were socio-culturally representative of their peers. In the informal identification of this child population from which my sample was selected, children with possible organic or psychopathological symptoms were excluded. My patients did not evidence overt symptoms at the time of their selection, other than for their manifest school difficulties, which was the basis for their parent's acceptance of treatment. Since these children continue in treatment at this time, I have selectively distorted particular irrelevant detail to ensure the families' anonymity.

---

*Presented to the Research Seminar of the Chicago Institute for Psychoanalysis, November 8, 1971. This paper was revised in the present form for presentation to the joint meeting of the Maryland Psychiatric Association and the Baltimore-District of Columbia Institute for Psychoanalysis, February 10, 1972.

**The research from which this paper derives, "Culturally Determined Retardation: Clinical Explorations of Variability and Etiology," was made possible by the support of the Foundation for Research in Psychoanalysis, the van Ameringen Foundation, and the Eugene and Agnes E. Meyer Foundation.

As I will later elaborate, a number of characteristics of my patients provoked my considerable curiosity and concern for the physical realities with which they live. As a question extraneous to the analysis of my patients, I wanted to identify the type and incidence of crime that might have an immediate impact on them. With the help of the District of Columbia's Police Department, data were identified for 1970* for each street in an area contiguous to the homes of my patients. The number of blocks that were included was a compromise between what I conjectured might be a child's view of his own neighborhood, i.e., about three to four blocks in each direction, and police reporting methods.** The following table provides a categorical listing of all crimes reported to the police in 1970 in the immediate neighborhood of my seven year old patient's home:

---

* Capatain Herbert F. Miller, Operations Planning Branch, Metropolitan Department of Police, was particularly helpful in making precinct crime reports available to my research assistant, Miss Alexis Bonner.

** Carney Blocks no. 413, 414, 415, 417, 418, 419, 420.

Homicide:	17	Prostitution:	30
Rape:	16	Sex Crimes:	4
Aggravated Assault:	320	Larceny:	1037
Robbery:	568	Auto-Theft:	251
Burglary:	794	Vandalism:	118
Weapons:	117	Other:	453
Drugs:	371	Arson:	11
	Total:		4107

Patients, Families and Symptoms: Naomi, my first patient, has been in treatment for almost four years; she is now eleven years of age. Virgil, my second patient, has been in analysis about three years and he is almost nine.

Let me start first with some data on their families. Rather than lusty sensualists depicted by the prejudicial fantasy of our times, these ghetto mothers appear depressed, guilt-ridden and traumatized. (Hunter and Babcock, 1968; Rainwater, 1964; Meers, 1971). They evidence severe, recriminating consciences that correspond to backgrounds of fundamentalist religiosity. Their life histories document repeated exposure to male exploitations, frequent physical abuse and abandonment.

Naomi's mother's fate was heralded by the death of her own mother in childbirth. Separated in infancy from her immediate family, this mother was reared in the home of relatives far distant from her sibs. She was an early victim of an older relative who sexually exploited her throughout childhood. Married at nineteen, two children were born before her first husband was convicted of murder. Divorced while her husband was serving a thirty-year sentence, Naomi's mother then married a sadistic alcoholic, whose paranoid jelousy led to periodic severe beatings. With a total of twelve pregnancies, of which four miscarried and one was terminated (a tubal pregnancy), this mother had her second Fallopian tube removed with the birth of her last child. In a post partum depressive episode that involved a last beating by her husband, the mother prayed for divine intervention to stay her hand from her intent to murder her husband. With his fortuitous arrest, the mother experienced a psychotic episode in which she walked out of her home (to obtain menstrual pads) only to awaken eleven days later in a public park with a total amnesia. Hospitalization followed with a fragmentation of her family that lasted over a year.

My second patient's mother was a seventeen-year-old "swinger". Her first psychiatric hospitalization occurred at age sixteen with an overdose of household drugs in an obvious suicidal gesture. Finding herself pregnant with Virgil, at seventeen, this mother dropped out of school and church. After Virgil's birth and during his first year, the mother made a more determined suicidal effort because of a fight with the child's father who she continued to date. Virgil's father is a handsome "dude" and a professional athlete. His influence on his son is indirect but powerful. While he only visits his son once or twice a year, the father has visited his brother in prison on a weekly basis (following the latter's incarceration for murder). Virgil's father provides occasional clothes and a distant, paternal pride in his son's aggressivity. Virgil has been reared in his grandmother's home, with varied, well intentioned but casual day care arrangements that continued throughout his infancy until his placement in community day care at age four. During his mother's and grandmother's absences for work, the child was often under the nominal supervision of his maternal grandfather, a retired chronic alcoholic who would not accept medical treatment for his incapacitating heart disease. When sober, the grandfather was withdrawn and when intoxicated, irrational and violent. Virgil's grandmother reported that the reason that she is alive today is because she slept lighter than her husband, that there were several occasions when she awoke in the night when her husband was trying to strangle her.

Virgil's mother is on heroine and has been a hard drug user since the boy was three. She is out all hours of the night and often "out" when at home. Her self devaluation and suicidal potential was never more clear than on the occasion that precipitated a succession of hospitalizations and eventual temporary imprisonment. Virgil learned of her imprisonment, it should be noted, from his street friends at age six. The mother had been given an overdose of drugs that had been poisoned, apparently while the mother was prostituting. A cab driver found the mother lying on the street, severely beaten, with her clothes badly torn. Her immediate hospitalization probably saved her life.

Naomi's analysis began with an extending exploration of her fears of attachment and emotional closeness. In time, as she became better able to tolerate some measure of her own aggression in her work with me, her sexual conflicts became increasingly open. Evidencing particular interest in what she called Chinese girls, she educated me that their slanted eyes were not as relevant as the kimona that hid their real difference, viz., that Chinese girls have taddy-wacs (penises). In this context, I would note that Naomi dramatically documented her belief in her mother's threat that a child's penis would be cut off for transgressions such as bedwetting or autoerotic play. Her distortions included the view that I was referring to her as a boy when I called her Miss.

Richard, Naomi's youngest brother, was born just before his mother's first psychiatric hospitalization. Perhaps the most damaged of these children, Richard became a "failure to thrive" baby, diminutive in stature, retarded in speech, and an anal prober as he approached his oedipal years. Other than open genital masturbation, Richard could not have found a less acceptable symptom to his mother than his anality. When punishment and medical expertise did not cure the symptom, the mother made use of an "old folks" remedy, viz., turpentine and sugar given orally and then rubbed on the boy's navel with the sign of the cross.

Cassius, another of Naomi's younger brothers, was three years old when their mother was hospitalized. He was one of two sons who lost their speech temporarily when placed in an institution. Cassius also developed another symptom on return to his mother's care, that of wanting to be a girl, to dress and talk like one, to cling, etc. Concerned that the boy was becoming homosexual, the mother appeared totally intolerant of the boy's regressive identification with things female. Her measures were repressive, with physical punishment, emotional isolation and ridicule. Inversely, this mother was most rewarding of evidence of "masculinity", sustaining Cassius even in echoing his older brothers' denigrating attitudes towards females.*

Virgil's stoicism and defense against affect were tested at an early age when he was hospitalized at two-and-a-half for surgical correction of an umbilical hernia (which he now calls his "mouth"). Without tears or recrimination, Virgil accepted both the surgery and his hospitalization with passivity. His stoicism was equally dramatic at four-and-a-half when he responded to general anesthesia for extraction of badly decayed teeth (in a hospital clinic) without tears or protest.

While both Virgil's mother and grandmother evidence good basic intelligence, they collude in keeping the boy supplied with candy, gum and pop--though his teeth get ever worse. Two of Virgil's front teeth are broken off because of aggressive play, and he has numerous fillings. Manifestly, Virgil is as boyish and tough as they come; when in kindergarten he boasted that he had been voted the most likely to succeed in reaching the reformatory. His analysis first documented an initial, intense ambivalence related to keeping and leaving appointments, with regularity, with emotional involvement. As the boy's phobic avoidances were understood as a defense that protected others from his rage, Virgil began a most tenuous introduction of his profound shame with his feminine wishes. Covertly and hostilely competitive with girls, Virgil introduced figurine female dolls into treatment. In his animations, the mother was preoccupied with cuddling two girl dolls. Later, the boy introduced stick drawings of two boys fighting, one of whom turned into a girl with a long bloody sword. Later yet, the boy introduced a nuance into a game by suggesting that I call him Mrs. Virgil. Increasingly open, the boy then spoke in fantasy terms of mini dresses that he has liked, that he put one on pretending to be a girl while his friend put on the clothes of a wino and the two danced in the street together. Depending on the boy's current stress or distress, he will openly suggest a change in gender for one of us, e.g., today he will be a girl and I will be his mother, or that I will be his wife.

---

*As an incidental commentary on a significant change in this mother's attitudes, somewhat over a year ago one of Naomi's older brothers developed a severe, acute anxiety hysteria in which he could not separate from his mother or go to school. The mother was accepting (by this time) of a psychiatric referral, and in the absence of psychotherapy time, the boy was treated pharmacologically. More recently, after a tragedy in which Naomi's oldest brother lost his eye, this young man has asked for psychotherapeutic help because of what he considers to be his own "mental retardation".

I. CHRONIC TRAUMATIZATION, EGO REGRESSIONS AND DIFFERENTIAL DIAGNOSIS

My early experience with my young black patients continually surprised me by the blatancy of their denial, their apparent repression and reversals in phantasy of violence and sadism common to the neighborhood. Street crime, for example, is a subject of continuing discussion in the neighborhood among adults, and is widely publicized on TV news broadcasts in every home. Our local drama has appeared inescapable, e.g., the murder of an assistant principal in a high school two blocks distant; the shooting of a psychotic black lady by a white policeman she attempted to knife on the street; two riots that included looting, burning, and extended continued confrontations of police and military units; and more recently, the murder of one of Virgil's neighbors, an eleven year old girl, one of the several victims of a sequence of sex murders in the city. Despite both dramatic violence and the more common, chronic street crime, my patients' accounts were remarkable for the infrequency, the lack of concern and the denial of any significance of such events.

My curiosity as to the actual incidence of crime and violence in the immediate neighborhoods of my patients' homes led to the incidental exploration of available demographic and police reports that I noted earlier. Depending on the criteria used, my patients live within either the worst or next to worst police precinct in the city. Naomi lived in a neighborhood that is reputed to be even worse than Virgil's. Since Naomi has moved four times in as many years, however, I chose to bypass the crime reports for her neighborhood. The total number of crimes for Virgil's neighborhood, for the year 1970, is in excess of 4,000. Crimes reported to the police, however, appear to be significantly less than their actual incidence, perhaps as much as 50%. In my experience, moreover, reported crime bears little relationship to crimes against or by children--most of which remain unreported even to parents.

I would like to relate this crime data, in a general fashion, to a number of clinical and theoretical views. The preceding table of the reported incidence of crime documents its pervasiveness. There is little monthly, seasonal variation and violence appears chronic to ghetto streets. I would stress that the street is dynamically important in the ghetto community, to both Virgil, Naomi and their families. The street culture exerts a group psychological pull that often exceeds even that of the immediate family (Hannerz, 1969; Meers, 1972).

However blatant the aggression or sexuality of the street, my clinical data documents that overexposure starts in earliest childhood within the child's home. The street peer group, I'm persuaded, facilitates a displacement of incestuous and aggressive drive discharge, and supports and rationalizes instinctual expression within a world of frequently changing loyalties and objects. In a quite different study in Washington, D.C., Layman (1970) found a strikingly open expression of instinctual ideation among black women that is characteristic of both psychotic patients and those who are in analysis. Hendin (1965) has reported on the grossly disproportionate incidence of black homicides and suicides; he has been disputed on his conclusions, but not on his data. Conjectures that the black suffers more greviously than the white from mental disorders appear resisted by those who fear such data will be used to rationalize more sophisticated forms of racist dogma (Pasamanick, 1969).

There are a range of papers concerning persons who have suffered bizarre environments that bear on the problem of differential diagnosis. I will discuss these selectively and most summarily. Kardiner (1941) expected that the impact of military bombardments of civilian populations in WW II might make traumatic neuroses the most common mental illness of our time. He was not satisfied with the conceptualization of the "traumatic neuroses," however, and drawing a parallel with Freud's views on the "actual neuroses," Kardiner coined a substitute diagnostic term, viz., the physioneuroses. I would note Fenichel's observation that some traumas precipitate symptom neuroses in given persons, but with Kardiner, I would emphasize that the traumatized patient typically evidences a broad spectrum of biopsychological states that appear directly related to profound shock and subsequent regressions. In this context, I wish to stress that symptoms appear to derive directly from the ego's response to external conflict, i.e., from the impact of overwhelming anxiety in the face of actual and anticipated real danger.

Symptom formation is also evident in the absence of psychoneurosis in the everyday life of children in normal environments. Regressions in the child's control of motility, speech, bowl and bladder control, in his reality testing, anxiety tolerance, etc. are commonly observed in day-to-day, and sometimes from morning to night behavior (A. Freud, 1966). We are usually loath to call such regressive adaptations symptoms, and a similar reservation might be considered when we refer to adult regressions that follow traumatic experience.

Miller (1962) has provided a fascinating review of the effects of both involuntary solitude and of sensory deprivation of voluntary subjects in immersion-tank experiments. Individuals who have suffered from involuntary self isolation, in prison, at sea, etc., are described as increasingly fearful for their sanity. They typically develop obsessional routines to preoccupy themselves, to limit the impact of their fears and fantasies. The immersion-tank subjects, selected from what appeared to be relatively normal adults, were deprived of external stimulae, other than the tactile sensations that incidentally derive from propreoceptive awareness of buoyancy and equipment. Free to speak, and be recorded, they were denied human interchanges unless they concluded that they wished to terminate their participation in the experiment. The preponderance of such subjects reported acute and *unbearable* psychological tension within a matter of minutes of submersion, apparently attendant on the impact of primary process innundation. While such experiences appear dramatically unlike the overstimulation of ghetto life, in this context my intent is to document only the vulnerability of man's ego when he loses the capacity to control his sensory and social sources of data.

The literature on American soldiers who survived Korean P.W. camps is also germane. Physical deprivations were matched by a profound fatalism that captivity was endless and death not improbable. A profound apathy appeared as a clinical syndrome in survivors, and it was clear from reports of survivors that particular men had given up the will to live and had died under conditions their fellows survived (Strassman, Thaler, and Schein, 1956). It is not clear from follow-up studies that P.W. camp symptoms dissipated in the years that followed (Chodoff, 1959). What is relevant to the present discussion is the fact that particular types of environments have appeared sufficiently malignant that relatively normal adults have responded symptomatically.

In his discussion of Nazi extermination camps, Cohen (1953) noted that Jews who survived within the camps rapidly lost both pre-existing physical and psychiatric symptoms. While the dynamics of the suppression of symptoms under profound stress does not appear clear, and may vary with individual types of pathology, it seems indisputable that the external expression of neurotic symptoms changes where survival becomes a paramount question (Chodoff, 1964).

The involuntary captivity characteristic of concentration and P.W. camps varies significantly from the black ghetto. Inner city ghettos are not homogenious since a small percentage of high income permanent residents elect to remain, and others use ghetto housing as a first migratory step into the city. For the many families who remain in and tied to the ghetto, however, there appears a fatalistic despondency and apathy that has similarities with the P.W. syndrome. Such black families evidence a loss of autonomy over sensory inputs. Rather than an inundation from their own instincts, as appears in the sensory deprivation subjects, ghetto residents are subjected to a flooding by an externalized, "environmental id." Excesses of stimulae and not infrequent traumatization then appear to induce massive defense and ego regressions as a price of psychological homeostasis.

Of the varied symptoms I have seen or heard of in the families of my patients, some can be described as transient anxiety hysterias, phobias, psychosomatic illnesses, etc. I have come to question, however, that such symptoms are necessarily a function of neurotic pathology (alone). Rather, they appear to me as a consequence of ego regressions and somatization of anxiety in the face of actual danger. From this vantage, many discernable symptoms of the black child and adult may be a function of adaptation to the traumata of everyday life. If true, some symptoms may be less malignant than they seem since they are accommodations to reality conflicts. Stated alternatively, the character of such symptomatic behavior reflects the patient's biological and developmental endowment, which includes fixations, but it does not give evidence of the internalized, structural conflict that defines psychoneurotic processes.

Analytic experience with patients from relatively benign environments, however, leave one prepared to believe that early traumas and severe ongoing deprivations of childhood contribute relatively indelible effects to the ego's defense organization. Given such expectations, I have been continually surprised by the relative infrequency with which the ghetto child evidences psychoneurotic symptoms customarily seen in children of suburbanite, middle class homes who live in far more benign circumstances. This observation has led me to consider three conceptual alternatives, which are not mutually exclusive. First, does the lesser evidence of psychoneurotic symptomotology indicate that ghetto children are more severely damaged, i.e., that early adaptations to anxiety have produced ego restrictions of a more pathological nature? Secondly, is it possible that the constancy of traumatization in the ghetto induces particular adaptations that then mask typical psychoneurotic symptoms? Thirdly, are there culturally valued behavioral accommodations that mask neurotic symptomatology such that neuroses appear in different forms than we are accustomed to?*

II. CULTURAL SPECIFICITY OF NEUROTIC SYMPTOMS:

The analyses of my patients has not led me to believe that the effects of early and recurring trauma have severely damaged their ego autonomy, i.e., these children do not appear borderline or schizophrenic. They remind me of Anna Freud's description of children who survived even more horrific developmental experiences in Tereszín, a Nazi concentration camp. Miss Freud concluded that these survivors "were neither deficient, delinquent, nor psychotic" (A. Freud and Dann, 1951, p. 168). My patients do exhibit, selectively, clear evidence of ego restrictions and ego inhibitions that seem to derive from both neurotic (structural conflict) and situational distress. Their capacity for repression, denial and misperception might be seen as survival characteristics. If true, such defensive adaptations may provide psychological equilibrium in the midst of instinctual overstimulation, and also produce some of the impediments to intellectual functioning that is evident in their limited school performance.

Transcultural studies of mental illness have been typically concerned with reported frequencies of varied psychopathologies. Such studies have also documented that given cultures appear to sustain and encourage a range of behaviors that are symptomatically alien in other cultures (Devereux, 1969; Muensterberger, 1969; Partridge, 1946). While psychoanalysts have had clinical experience with individual patients from other cultural backgrounds, the subject of possible differences in symptomatic configurations has not been of particular importance in analytic practice or theory, possibly because most patients have shared the cultural ethos of the analyst. My patients provide clear evidence of parental intolerance of particular types of symptoms, and I'm led to conjecture that these parents' attitudes reflect general, ethnic and cultural values that might be considered as cultural attributes of the low income black family. If true, such cultural attitudes should be reflected in the children's drives and their mode of acceptable expression.

---

*A fourth (theoretical) possibility, that the lack of typical symptoms indicates superior mental health, is patently disproved in my experience by dramatic clinical evidence to the contrary.

Because of particular questions that are only incidental to my research, I have also tried to screen black ghetto reared children who meet both our general research criteria and who also evidence symptoms typical of childhood neuroses, i.e., where the overt, clinical picture is one of internalized conflict. In screening of cases, two things appear evident. First, the reality of the children's lives is so distressing that their symptomatic responses are more often diagnostically understood as situationally reactive, rather than neurotic (internalized). Secondly, the children do not typically evidence extended phobic avoidances, hysterical anxiety states, or obsessive preoccupations. Instead, they more typically present pictures of acting out, and alternatively, of depressed, apathetic withdrawal.

The few anxiety hysterias that I have seen in black children have disappeared quite quickly, and it was notable that the children were subjected to extremes in punishment and ridicule. Transvestism, enuresis, anal masterbation, etc. have been evident but such symptoms appeared suppressed or displaced. Naomi's eldest brother, for example, was dramatically cured of his enuresis by a straight forward threat by his mother, butcher knife in hand, that she would cut his penis off if he wet again. The *reality* of this threat from a child's perspective must be appreciated in its familial context, viz., that the boy's father was convicted of murder and that his mother's first psychotic break had occurred when she was determined to kill her second husband.

It is my impression that many ghetto children who manifest "impulse disorders" will reveal in a careful diagnostic assessment an initial, earlier surfacing of those neurotic symptomatic configurations that we are more accustomed to, and that these are abandoned as the child responds to the punishments and rewards of his superego, his parents and peers--who are all selective in their acceptance of particular symptomatic accommodations. If symptomatic expression were a constant, i.e., a function of a structural (neurotic) condition alone, then acting out of tension as a symptom gestalt should also be consistently evident in treatment. Yet my young black patients have demonstrated the converse, namely their constricted and inhibited functioning. Indeed, they are less problematic by far than a number of manifestly neurotic white children I have seen over the years. I am reminded, in this regard, of Anna Freud's caution to child analysts that premature interpretation of instinctual content, rather than defenses, may lead to overstimulation and acting out rather than insight.

With a sample of only two children in analysis, I do not conclude that my observations are necessarily typical of black children in general, or of all "academically retarded" black children in the ghetto. My purpose here is only to consider the possibility that cultural norms may have direct bearing on symptomatic expression of neurotic conflicts. If true, then the cannons of diagnostic evaluation typical of the white middle class may obscure appropriate diagnosis of neurosis in the ghetto reared black child.

III. ETHICS AND THE ANALYSIS OF SEVERELY DISADVANTAGED CHILDREN:

It has been urged that there is an ethical question, if not a psychiatric disservice, to extend a patient's insight when this includes tragedies that are relatively inescapable. The ghetto child necessarily continues to live in circumstances beyond his control and, it has been urged, greater psychological awareness can only leave him vulnerable to more acute emotional injury that his defenses, before analysis, had protected him from. Freud's views of the eventual extension of analytic treatment for the poor have been referred to in this context. In 1919, Freud offered a conservative and pessimistic commentary on the social structure of his day, viz., "We shall probably discover that the poor are even less ready to part with their neuroses than the rich, because the hard life that awaits them if they recover offers them no attraction, and illness gives them one more claim to social help."(P. 167)

One can respond by noting that even in our caste system, U.S. black families send a higher percentage of children to college than the white working class of Britain today. Life may continue to be hard for the black, relative to the advantages of others, and analysis should afford him a greater freedom from his own conflicts that impede pursuit of a better life within a prejudiced society. The ethical rationale for analytic treatment of disadvantaged children, however, appears to me as far more elemental. Few things in reality are as damaging as life-long, psychopathological impairments. Grief and sorrow that derive from reality can be worked through and mourned, and my provide motivation to avoid or modify conditions that have given rise to pain. My patients' neurotic conflicts, particularly their defenses against their own unconscious sadism, have led to severe impediments in reality testing. Besides their suffering from chronic psychosomatic illnesses, they evidence an accident proneness and not infrequent masochistic provocation of the environment to injure them. Naomi's mother was particularly instructive in her first appointment with me. With insight and sensitivity, this mother asked if treatment might help her child retreat from her senseless provocations. In the mother's own reactive rages on such ocassions, she feared she might maime or kill her own daughter. However provisional my conclusions on the first successes of my patients' treatment, I am most impressed with their improved reality testing and their increasing retreat from masochistic solutions. However difficult life in the ghetto can be, the milieu is not homogenious. With increasing discrimination, children prove able to take more from their environments when they are less conflicted. If our black children are to effectively modify or escape from ghetto environments and the biases with which they live, they need insight and not psychopathological defenses that distort the reality of self and others.

IV. ENVIRONMENTAL REALITIES AND THE TREATABILITY OF SEVERELY DISADVANTAGED CHILDREN:

The ghetto reared black child has had scant contact with whites. Yet his exposure to both the myths and realities of "racial" prejudice is particularly open and direct today. While the black child is more or less accepting of medical care of his person by a white, it has been questioned whether he can use a therapy that requires an emotional involvement with a white adult who is increasingly openly defined as a persecutor. Color perception is highly subjective and the fact that I am neither white nor my patients black is not the issue. The question is one of emotions and fears rather than gradations of skin pigmentation. Virgil's treatment is more complicated in matters of color because of his mother's ambivalence. She is a member of a black religious sect that is fairly militant. Yet his mother has a range of white male friends, some of them in well placed government positions. When Virgil's transference is strongly positive, he reassures me that I am more tan than white. Yet it is of interest and a reflection of his incipient prejudice, that in a recent fight with his black school principal, Virgil told him that he hoped that a white man would bust the principal in the face.

With one dramatic exception in the early weeks of Virgil's treatment, my patients have been singularly easy and accommodating to me and analysis. One black analyst suggested to me that the white analyst with a black patient enjoys a prolonged holiday from the black patient's negative transference. It was conjectured that direct envy is so well defended that it does not emerge until late in treatment with the white analyst (Butts, 1970). With black children, however, I wonder if the situation is not different. However much the pain and sorrow of the black child may be an indirect consequence of white exclusions and denigrations, in his formative years the black child is not directly exposed to whites. Instead, his hurts and deprivations derive from his black parents and color discrimination for the child may begin with the conclusion that if one were white it would be different.

There are other realities than those of color perception that bear directly on treatability. What therapeutic work may be done, for example, when a patient experiences recurring traumas that preempt defensive energies? It is my impression that analysis stands still when pain and grief intrude preemptively. But analysis provides a stabilizing influence for the young in their sorting out of those injuries that are real today and those that are illusory or of the past. Adult constancy, availability and relative neutrality to the patient's symptoms provide a context that is all the more meaningful for the ghetto child. At the inception of my work, I discussed my research work with Miss Freud who suggested that the type of patients I anticipated would take far more from analysis than interpretations. I am convinced that this is most true. When maladaptive defenses are no longer needed, and where constancy and nonjudgmentalness are available as inherent attributes of "psychotherapeutic character," then identifications with the therapist also sustain and extend the course of analytic work. Let me quote Naomi from a fairly recent session: "Sometimes I sit there; I ask him about my worries. He says, 'Miss ____, I want to know what you are thinking about.' He cannot read my mind, he cannot think what I'm thinking; only thing he can do is listen and learn. But, the only thing is to help him out."

One of my tentative conclusions as to the environmental adaptations of ghetto children is that selective misperception, repression, and isolation of affect subserve reduction of anxiety. In this context, I wish to emphasize that adult views of trauma and danger may be significantly different from the views of ghetto children who have accommodated to their environment. I don't believe that all such adaptations are necessarily pathological and I suspect that ghetto life engenders a more discriminating capability in the child who subliminally, preconsciously scans his environment with a readiness for flight or fight. Not unlike cultures who live in jungle environments, the ghetto child appears able to discriminate between the wino who is impotent and the drunk or addict who is dangerous. For my patients, the trauma that is potential in the area may demand an attention cathexis that is uneconomic relative to introspective and imaginative ego processes.

The pathology of ghetto parents would appear to be yet another impediment to analysis. I should note that the mothers of both my patients have each had three psychiatric hospitalizations since their children have been in treatment. I have had white children withdrawn from reasonably successful treatment where parental, symbiotic investments in a child's neurosis has been threatened (Pollock, 1964). While the mothers of my children are emotionally disturbed and the fathers absent, parental psychopathology has only complicated analysis rather than obstructing it. There have been specific occasions where mothers have "joked" with their children about their special relationships with me, and I have then found repeated occasion in which the child was not sent to school and treatment. But this resistance in parents is not, I would conclude, particularly different than in the analyses of white children. The chaos of home life, as seen by outsiders, is less impressive when viewed in the child's developmental perspective. As Naomi said when noting that her mother was psychiatrically hospitalized, "So? What's new about that?"

The central concern as to analyzability is the structure of the patient's ego, and diagnostic efforts are conventionally aimed at screening out patients with structural defects (that define the psychotic or borderline child). Differential diagnosis of childhood pathology is often difficult and the pathological structure of a child's ego may only become discernable in the course of treatment. In an extension of Eissler's views (1953, 1971), Miss Freud has noted:

> ...Every individual patient reacts to the analytic technique in his own way and... from the parameters which he enforces on his analyst, his ego's deviation from the norm can be concluded. Paraphrasing this, it can be said that the nature of a child's disturbance reveals itself via the specific therapeutic elements which he selects for therapeutic use when he is offered the full range of possibilities that are contained in child analysis. (p. 229, 1965)

I have raised the question of modifications in technique because I want to emphasize that I have not found it essential to introduce something new into treatment of my disadvantaged black patients (that is different from my work with white, middle class patients). My patients have shown constancy of purpose, a tolerance of my ignorance, and have used their treatment much as most other children I have seen. The greatest difference has been in the content of analyses, viz., in the children's hunger for acceptance and in the starkness of instinctual material. But even the differences in instinctual data are not as great as might be expected. My black patients, for example, are severely inhibited relative to their own masturbation, their own sadism, and their own private phantasy life. Not unlike their instinctualized, Puritanic mothers, these young patients evidence profound superego restrictions, and a confusing array of defensive adaptations. Parental inavailability and incapacitation have, however, provided special problems in terms of management. Without the active support of the children's schools, for example, it is unlikely that the treatment could have been continued.

Conclusions: If my patients are at all representative of the others who were not taken into treatment, then I can only conclude that the best of social remedies are already too late. The existing miseries of the inner cities, I am increasingly convinced, are nurturing severe psychopathological character disorders. Our ghettoized black children's defensiveness against caring for others, their depersonalization of relationships, and their sado-masochistic resolutions of hurt and despair appear to prepare them for retaliation against their own communities with a potential for indiscriminate destructiveness of themselves or others. As our new generation of disadvantaged blacks assimilates its ghetto education, and as it comes of age, I would revise Kardiner's prediction and question if we will not see new forms of pathology that synthesize atypical neurotic configurations with that outward seeking for trauma that Fenichel has described as the traumatophilic neurosis (1945, p.543).

REFERENCES

Butts, H. Personal Communication, 1970.

Chodoff, P. Effects of Extreme Coercive and Oppressive Forces. *American Handbook of Psychiatry* Vol. 3 (Ed.) S. Arieti. New York: Basic Books, 1959.

___________ Psychiatric Effects of Nazi Oppression. Presented at the Am. Psych. Assn. Divisional Meeting, Philadelphia, November 21, 1964.

Cohen, E.A. *Human Behavior in the Concentration Camp*. New York: W.W. Norton and Co., 1953.

Deveraux, G. Normal and Abnormal: The Key Concepts in Ethnopsychiatry. *Man and His Culture* (Ed.) W. Muensterberger. New York: Taplinger Publishing Co.

Eissler, K.R. The Effect of the Structure of the Ego on Psychoanalytic Technique. *J. Am. Psychoanaly Assn.*,1 (1) : 104-143, 1953.

_____________ Personal Communication, 1971.

Fenichel, O. *The Psychoanalytic Theory of Neurosis*. New York: W.W. Norton and Co., 1945.

Freud, A. *Normality and Pathology in Childhood*. New York: International Universities Press, 1965.

Freud, A. and Dann, S. An experiment in group upbringing. *Psychoanaly. Study Child* , 6: 127-169, 1951

Freud, S. Advances in psychoanalytic therapy. *S.E.*, 17, 1919.

Hannerz, U. *Soulside*. New York: Columbia University Press, 1969.

Hendin, H. Black Suicide. *Reflections*. Merch Sharp and Dohme, undated.

Hunter, D.M. and Babcock, C.G. Intrapsychic Structure of Negroes. *Psychoanaly. Study Society*, No. 4: 124-170, 1967.

Kardiner, A. *The Traumatic Neuroses of War*. Psychosomatic Medicine Monograph II-III. Committee on problems of Neurotic Behavior, Division of Anthropology and Psychology. National Research Council, Washington, D.C., 1941.

Layman, E. Rorschach Studies of Mothers. Pica and Lead Poisoning (Eds.) F.K. Millican and R.S. Lourie, (unpublished manuscript).

Meers, D.R. Contributions of a Ghetto Culture to Symptom Formation: Psychoanalytic Studies of Ego Anomolies in Childhood. Psychoanaly. Study Child, 25: 209-230, 1970.

__________ Crucible of Ambivalence: Sexual Identity in the Ghetto. Psychoanaly. Study Society, Vol. 5, 1972.

Miller, S. Ego Autonomy in Sensory Deprivation, Isolation and Stress. Int. J. Psychoanaly., 43 (1): 1-20, 1962.

Muensterberger, W. On the Cultural Determinants of Individual Development. Man and His Culture. New York: Taplinger Publishing Co., 1970.

Nagera, H. Early Childhood Disturbances, The Infantile Neuroses and the Adult Disturbance. New York: International Universities Press, 1966.

Partridge, M.A. Psychiatry in the Levant. Journal Royal Naval Medical Service, Vol. 32: 115, 1946

Pasamanick, B. A Tract for Our Times: Some Sociological Aspects of Science, Race, and Racism. Am. J. Orthopsych., 39: 7-15, 1969.

Pollock, G. On Symbiosis and Symbiotic neuroses. Int. J. Psychoanaly., 45 (1): 1-30, 1964.

Rainwater, L. Crucible of Identity: the Negro Lower Class Family. Daedalus, 95 (1): 172-216, 1964.

Strassman, H.D., Thaler, M.B. and Schein, E.H. A Prisoner of War Syndrome, Apathy as a Reaction to Severe Stress. Am J. Psych., 112: 998-1003, 1956.

APPENDIX II

[From the Congressional Record—Senate, Feb. 17, 1972]

INTRODUCTORY REMARKS OF HON. WALTER F. MONDALE, OF MINNESOTA ON S. 3193

Mr. MONDALE. Mr. President, today I am privileged to introduce, with the distinguished junior Senator from Wisconsin (Mr. Nelson), a bill to establish a comprehensive child care program. This measure represents a revision of the child development bill I introduced last session, which was subsequently adopted by the Congress and vetoed by the President.

PURPOSE

Our bill seeks to better meet the need for quality, family-oriented, preschool programs among millions of young children whose mothers are working, or who because of poverty are denied adequate health care, nutrition, or educational opportunity.

It recognizes and specifically provides that child care programs must be totally voluntary, and must build upon and strengthen the role of the family as the primary and fundamental influence on the development of the child.

It assures that parents will have the opportunity to choose among the greatest possible variety of family supporting services—including part-day programs like Headstart, after school or full day developmental day care for children of working mothers, in-the-home-tutoring and child development classes for parents and prospective parents.

Finally, by clarifying and modifying the vetoed bill with respect to the President's concerns about the administrative delivery system, the State role, the cost, and the relationship of these programs to the family, the measure we introduce today is designed to gain not only passage by the Congress, but also the cooperation and support of the administration.

These are the elements of our compromise.

Under our new bill, parents retain a full voice in decisions concerning curriculum, policy, and program funding.

We have increased our priority on strengthening family life by making full day, day care available only to children whose parents are already out of the home all day. Services for children whose mothers are at home are limited to part-day programs or in the home tutoring that builds on the mother-child relationship.

We have increased the role of the States by reducing by over two-thirds the number of localities that will be eligible to administer their own programs and deal directly with Washington.

We have reduced by 25 percent the funds authorized for these programs.

And we have postponed for 1 year the effective date of this bill.

We believe, and we hope, that with these changes which I will describe more fully later in my statement—and with the retention of our priorities on parental involvement, quality programs, services for both poor and middle-income children, local initiatives, protection for existing Headstart programs and other elements—we can enact this bill into law and begin better meeting the needs of parents and children.

THE NEED

The critical effect of the first 5 years of life has been well documented. We know that the beginning years of life are the most important for a child's intellectual growth, and for his social, emotional, physical, and motivational development. These early years are the formative years—they are the years in which permanent foundations are laid for a child's feelings of self-worth, his sense of self-respect, his motivation, his initiative, and his ability to learn and achieve.

We know that a child's intelligence is not fixed, once and for all, at birth. We have learned that his intelligence is shaped by his experiences, and that his mental development is heavily determined by the conditions and the environment the encounters in the first few years of life.

We know that children are most eager and often most able to learn during their early childhood years. As Dr. Benjamin Bloom concluded in "Stability and Change in Human Characteristics:"

"As time goes on—more and more powerful changes are required to produce a given amount of change in a child's intelligence—and the emotional cost it exacts is increasingly severe.

"To a very great extent, a child's experiences at the beginning are critical determinants of his entire future life."

Yet we have never adequately provided for these early childhood years; and we have particularly neglected many of the children with the greatest economic and social need.

Today, there are over 3 million preschool children whose families have income below the poverty level, and probably an equal number from families living in near poverty. In spite of the love and attention these children receive from their families, many are growing up without adequate nutrition and health care and without the kind of intellectual stimulation during their early years that is necessary for success in an increasingly technical society.

Recent findings by the Mississippi Medicaid Commission indicate the magnitude of health needs alone. The extent of undetected and untreated health problems among poor children examined by that commission—and their implications for child development—are frightening. The commission found 1,301 medical abnormalties in the 1,178 children it examined, including: 305 cases of multiple cavities; 97 cases of faulty vision; 217 cases of enlarged tonsils; 57 cases of hernia; 48 cases of intestinal parasites—mostly hookworm; 53 cases of poor hearing; and 32 other medical conditions requiring immediate treatment.

Many poor children—Mexican Americans, Indians, Eskimos, Puerto Ricans, and members of their minority groups—grow up learning English as a second language, or not at all. Besides being burdened with possible nutritional and intellectual deprivation in their early years, they are confronted with an alien language and an alien culture when they begin school.

And we have neglected as well the needs of an increasing number of preschool children whose mothers are working. Some of these children are receiving healthful and stimulating care while their parents work, but many are not. Many are left in purely custodial and unlicensed day care centers, and others—the so-called latchkey children—are left alone to look after themselves. Consider these facts:

In 1971, 43 percent of the Nation's mothers worked outside the home, compared to only 18 percent in 1948.

One out of every three mothers with preschool children is working today, compared to one out of eight in 1948.

In 1971, 1.3 million mothers of children under 6 were single parents bringing up children without a husband, and half of these mothers worked.

Yet, there are fewer than 700,000 spaces in licensed day care centers to serve the over 5 million preschool children whose mothers work.

And although some existing Federal programs, such as title IV of the Social Security Act, help provide day care for these children, much of it is inadequate. Dr. Edward Zigler, Director of HEW's Office of Child Development, has estimated that only about 20 percent of these day care programs are developmental, or comprehensive—and that in "many instances we are paying for service that is harmful to children."

Thus, it comes as no surprise that one chapter in a recent OEO publication entitled "Day Care: Resources for Decisions" concluded:

"Over 90 percent of all full-day centers in the United States are privately operated for profit.

"Most are custodial programs because that's all that most working mothers can afford . . . Day care in America is a scattered phenomena: largely private, cursorily supervised, growing and shrinking in response to national adult crises largely unrelated to children's needs. . . ."

The need for quality day care opportunities among families near but above the poverty line can hardly be overemphasized. There are 1 million children of working mothers in families with incomes between $4,000 and $7,000—incomes which are just a little too high to qualify for most federally assisted day care programs such as those under Headstart and title IV of the Social Security Act, and too low to afford quality day care in private programs. Indeed, these families living in near poverty have perhaps the greatest unmet need for quality day care.

Some people would like us to believe that the day care needs of the near poor and working parents have been adequately met by the recently enacted liberalization of income tax deductions for child care. In fact, the President suggested as much in his veto message of the child development bill, but the facts do not support this optimism.

In response to my inquiry concerning the tax savings under this new income tax deduction, the Treasury has provided the following information:

A family of four with an income of $5,000 which spends $500 for child care would realize no tax savings;

A family of four with a $7,000 income which spends $700 for child care would realize a savings of only $77;

A family of four with a $10,000 income which spends $1,000 for child care would realize only $190 tax savings;

A family of four with an income of $18,000 and child care expenses of $1,000 would save $250 in taxes.

Mr. President, I ask unanimous consent that copies of my correspondence with the Treasury Department be included at the close of my remarks.

The PRESIDING OFFICER (Mr. WEICKER). Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, this correspondence makes it quite evident that income tax deductions for child care provide practically no assistance to families with incomes between $4,000 and $8,000. In fact, as with most income tax deductions, these child care deductions offer more assistance to the upper middle class than the near poor.

Thus quality preschool and child care in this country is a privilege for the very rich, and, to the limited extent that public programs are currently provided, for the very poor.

By providing services only at the socioeconomic extremes, we are neglecting the majority of our children and, in a very real sense, we are assigning poor children to a "track" system even before they enter the public schools. Perhaps most tragically we are ignoring the enormous opportunity for children to learn from one another.

That is precisely why the bill we are introducing today retains the fee schedule from last year's conference report which provides free services for families with incomes up to $4,320, modest fees for families with incomes between $4,320 and $6,960, and a sliding scale of fees above that level.

INCREASING NATIONAL AWARENESS

This need for developmental child care and preschool education was recognized by President Nixon shortly after he took office. In his February 1969, economic opportunity message to the Congress, the President stated:

"So crucial is the matter of early growth that we must make a national commitment to providing all American children an opportunity for healthful and stimulating development during the first 5 years of life."

Later that same year, when he created the Office of Child Development in HEW to serve as the focal point for this effort, the President gave an eloquent summary of the need many poor children, in particular, have for developmental child care and preschool educational opportunities. He said:

"We have learned, first of all, that the process of learning how to learn begins very, very early in the life of the infant child. Children begin this process in the very earliest months of life, long before they are anywhere near a first grade class, or even kindergarten, or play school group. We have also learned that for the children of the poor this ability to learn can begin to deteriorate very early in life, so that the youth begins school well behind his contemporaries and seemingly rarely catches up. He is handicapped as surely as a child crippled by polio is handicapped; and he bears the burden of that handicap through all his life. It is elemental that, even as in the case of polio, the effects of prevention are far better than the effects of cure.

"Increasingly we know something about how this can be done. With each passing year—almost with each passing month, such is the pace of new developments in this field of knowledge—research workers in the United States and elsewhere in the world are learning more about the way in which an impoverished environment can develop a "learned helplessness" in children. When there is little stimulus for the mind, and especially when there is little interaction between parent and child, the child suffers lasting disabilities, particularly with respect to the development of a sense of control of his environment. None of this follows from the simple fact of being poor, but it is now fully established that an environment that does not stimulate learning is closely associated in the real world with poverty in its traditional forms. As much as any one thing it is this factor that leads to the transmission of poverty from one generation to the next. It is no longer possible to deny that the process is all too evidently at work in the slums of America's cities, and that is a most ominous aspect of the urban crisis. "It is just as certain that we shall have to invent new social institutions to respond to this new knowledge."

Congressional interest in this problem increased at the same time. In 1969 several of us introduced legislation and we began hearings and investigations. Encouraged by the success of Headstart, and responsive to the expressed needs of poor and working families throughout the Nation, the Congress had devoted increasingly greater attention to child-care needs during each of the last 3 years.

Since the original bills were introduced, they have been the subject of over 30 days of congressional hearings, during which more than 200 witnesses have presented their suggestions concerning this legislation. After debate and discussion on the floor of each House, last year's bill was adopted in final form, by bipartisan votes of 63–17 in the Senate and 210–186 in the House of Representatives.

The 1970 White House Conference on Children focused more public attention on these needs. In a unique weighted vote, the delegates to that conference identified as their top priority the provision of "comprehensive family-oriented child development programs including health services, day care, and early childhood education." Specifically, the White House Conference said:

"We recommend that the Federal Government fund comprehensive child care programs, which will be family centered, locally controlled, and universally available, with initial priority to those whose needs are greatest. These programs should provide for active participation of family members in the development and implementation of the program. These programs—including health, early childhood education and social services—should have sufficient variety to insure that families can select the options most appropriate to their needs. A major educational program should also be provided to inform the public about the elements essential for quality in child care services, about the inadequacies of custodial care, and the nature of the importance of child care services as a supplement, not a substitute, for the family as the primary agent for the child's development as a human being."

In addition, numerous national organizations have identified comprehensive child care and preschool education as a top priority, including the Education Commission of the States; the Chief State School Officers, and the coalition of over 20 national organizations which was closely consulted in the development of the vetoed bill, composed of Amalgamated Clothing Workers; AFL–CIO; Americans for Democratic Action; Americans for Indian Opportunity Action Council; Black Child Development Institute; Committee for Community Affairs; Common Cause; Day Care and Child Development Council of America, Inc.; Friends Committee on National Legislation; Interstate Research Associates; International Ladies Garment Workers Union; League of Women Voters; Leadership Conference on Civil Rights; National Council of Churches; National Council of Negro Women; National Education Association; National League of Cities and U.S. Conference of Mayors; National Organization of Women, president and vice president for legislation; National Welfare Rights Organization; United Auto Workers; U.S. Catholic Conference; Family Life Division and Washington Research Project Action Council.

Following the veto many of these organizations and others met, agreed to continue working for comprehensive child care legislation and drew up a list of principles any bill should include Our bill supports and reflects these principles. I ask unanimous consent that this list, and the organizations associated with it, may be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

FEDERAL ROLE IN CHILD CARE

Mr. MONDALE. Mr. President, a great deal of concern has been expressed about the proper role of the Federal Government in the provision of comprehensive child care and preschool education. This is a legitimate concern and we have a responsibility to deal with it directly. I would like to try to set the record straight.

First—although some would have us believe otherwise—the question is not whether the Federal Government should become involved in the provision of child care services. The Federal Government is, and has for some time been involved in providing child care services. This involvement dates back to day care under the Lanham Act during World War II. It includes, at present, the highly successful Headstart program, preschool programs supported under the Elementary and Secondary Education Act and day care for welfare recipients funded under the Social Security Act.

Second—although at times this fact is sometimes overlooked—there is no disagreement between the administration and the sponsors of comprehensive child care legislation about whether the Federal Government should expand its support for child care programs. The administration is requesting a $750 million, one year, increase in child care under FAP—while the bill vetoed last December authorized only $1.6 billion increase over 2 years.

Thus, the question before us again this year is not whether we are going to have Federal support for increased child care, but rather how it is going to be structured, who will be served, how much parental control will be included and what kinds of services will be provided to these children and their families.

THE COMPREHENSIVE CHILD CARE BILL

Mr. President, the bill we are introducing today contains the following elements which I believe are essential to the provision of quality services to families and children. As I suggested earlier, some of these elements have been revised and clarified in an effort to resolve the concerns expressed in the veto message.

FIRST: PARENTAL CONTROL AND FAMILY INVOLVEMENT

This bill, as the previous bill, is designed to maximize parental control and strengthen family life.

Unlike child care under the administration's welfare reform proposal (H.R. 1), child care under our bill is totally voluntary. It specifically requires—as did the vetoed bill—that programs and services shall be available only to children whose parents or legal guardians request them.

Parents whose children are served under this act compose at least 50 percent of the governing boards in our bill—which decide what services will be offered, which programs will be funded, and what curriculums, policies and personnel shall be approved.

Our bill provides opportunities for parents and other family members to become involved as volunteers or paid personnel with opportunities for inservice training and career advancement.

Finally, and again unlike the child care under the welfare reform proposal, mothers are not required to get out of the house and leave their children for the full day in order for a family to be eligible for services under this bill. Our bill specifically authorizes a wide variety of services—including full day child care, part day child care such as Headstart, or in the home services to children and their families who request them—that are designed to build on the family and parental involvement that already exists. We don't want to break up families or diminish parental involvement with their children. In fact, full-day services under this bill are available only to children whose parents are already out of the home in work or training all day, or children such as the handicapped who may in some cases have special needs for full-day service. For children whose mothers are in the home, eligibility is limited to a wide variety of part-day preschool education. Services are available—such as half-day nursery school programs several days a week—that are designed to build on and strengthen family life.

SECOND: QUALITY

Our bill assures that child care programs contain comprehensive nutritional, educational, health, and social services. Child care programs must be designed to help prepare children who are poor, or whose parents are working to take full advantage of school—not simply to provide mind-numbing custodial care while parents work—and our bill is drafted to assure that.

THIRD: EFFICIENT AND RESPONSIVE ADMINISTRATIVE STRUCTURE

Our bill contains major modifications with respect to the delivery system. In order to meet the administration's concerns that the locally based administrative structure in the vetoed bill was unworkable, we reduced by over two-thirds the number of localities eligible to administer their own program and deal directly with Washington—by raising the population criteria for prime sponsorship from 5,000 to 25,000. Thus, in order to be eligible to administer child care programs, a locality or combination of localities must have a population in excess of 25,000. This one modification has the effect of reducing the number of localities potentially eligible to be prime sponsors from almost 7,000 under the previous bill to about 2,[illegible]0. And our new bill clarifies the responsibility of the HEW Secretary to determine whether an eligible prime sponsor applicant has the capability of effectively carrying out child care programs.

Although we continue to believe that localities which run their own schools are capable of running their own child care programs, this population modification represents our best judgment about how to balance the needs for local flexibility, local control and responsiveness to parents with the interests of simplified administration and enhanced State involvement. In order to retain local initiative and involvement in areas where the State will be prime sponsor, our bill provides for the establishment of program areas—not to exceed 50,000 in population—with councils composed of parents and representatives of the localities to participate in the approval of the child care plan and projects for that area.

FOURTH: PRIORITIES FOR ECONOMICALLY DISADVANTAGED

Priority will be given to children from families with an annual income below the lower living standard budget determined by the Bureau of Labor Statistics—currently $6,900 for an urban family of four—by reserving 65 percent of all Federal funds for such children. In addition, our bill retains the fee schedule agreed to by the administration which provides free services to children from families with incomes up to $4,320 and a fee limitation of $316 on an urban family of four earning $6.900.

FIFTH: SOCIOECONOMIC DIVERSITY

To the extent possible, each program will include children from a broad range of socioeconomic backgrounds. Up to 35 percent of the available funds may be spent to include children whose families have an income above the lower living standard budget, with fees charged on a sliding scale according to ability to pay. Priority within this group will be given to those with the greatest need, especially children of working mothers and single parents.

SIXTH: FUNDING AND COSTS

In order to meet criticisms about cost, the effective date has been postponed 1 year and the authorization for the first program year has been cut by 25 percent from the previous bill. Thus, $100 million is authorized for planning, training, and technical assistance in fiscal year 1973 and $1.5 billion—which includes the existing $500 million authorized for planning, training, and technical assistance in fiscal year 1974.

Federal funds would pay 90 percent of program costs, with 100 percent funding for programs serving migrant and Indian children.

SEVENTH: NEEDS OF MINORITY, INDIANS, MIGRANT, AND BILINGUAL CHILDREN

Funds are provided for year-round programs for migrant children, and for programs on Indian reservations. In addition, each local program must provide equitably for the needs of all minority group, Indian, and migrant children in the area served, with particular emphasis on the needs of children from bilingual families for the development of skills in English and the other language spoken in the home.

EIGHTH: PROTECTION OF CURRENT HEADSTART PROGRAMS

Our bill builds heavily on the experience with comprehensive programs under Headstart. To assure coordination and efficient administration of all child development programs, Headstart will be incorporated into the comprehensive legislation. However, funds will be set aside to assure continuation of such programs for the Headstart target group at no less than the 1972 level, and the first $500 million of the fiscal year 1974 authorization is reserved for programs serving poor children, with priority to continued financial assistance for Headstart projects. In addition, community action and Headstart agencies will be given an opportunity to comment on the comprehensive child development plan in their area before it is approved by the Secretary.

NINTH: TRAINING AND TECHNICAL ASSISTANCE

Assistance is provided for local community groups and governmental agencies to develop comprehensive child development programs and to train the professional and paraprofessional personnel, especially members of the community necessary to conduct quality programs.

THE CHALLENGE

Mr. President, the Forum on Development Child Care Services of the 1970 White House Conference on Children identified the challenge before us:

"There are two clear issues in developmental child care for American children: the comprehensiveness and quality of care which all children deserve; and the responsiveness and flexibility of social institutions to the changing needs and desire of American parents. The best care, with stimulating and nurturing personnel, will be wasted if offered to programs which will not be used by families as they adjust their own special, economic, and personal needs. Simply keeping the child during parents' working hours without applying our utmost expertise and common sense for his sound development is as cruel and absurd as feeding him only minimal nutrition required to sustain life and expecting a vigorous and healthy body. We need not just day care centers so mother can work, nor just preschools. Rather, we must respond as a nation to the changes that we as individuals are living, changes in our views of family roles and in the needs of our families with children. Our lives are changing more rapidly than our institutions. We must develop a network of voluntary supplementary child care, flexible enough to be part of family life, able to promote the full development of our children, and readily available to all families with children. We must commit our heads, our hearts, and our pocketbooks."

The comprehensive child care bill which we are introducing today, provides the mechanism and the resources to begin meeting that challenge.

(I ask unanimous consent that the text of the bill be printed in the Record:)

EXHIBIT 1

DECEMBER 17, 1971.

Hon. JOHN CONNALLY,
Secretary, Department of Treasury,
Washington, D.C.

DEAR SECRETARY CONNALLY: I would appreciate your aid in assessing the potential usage of the child care deduction from income taxes approved by Congress recently.

Would you please outline for me the effects—in terms of dollars saved—of this deduction for families in the categories listed on the enclosed sheet.

In assessing these individual situations, would you please indicate your assumptions about usage of the standard deductions vs. itemizing by taxpayers in the various income level groups?

If you have any questions, Ellen Hoffman of my staff will be glad to assist you. She can be reached on 225-8704.

I would appreciate receiving this information by the close of business on Thursday, December 30.

Thank you for your cooperation in this matter.

Sincerely,

WALTER F. MONDALE.

DEPARTMENT OF THE TREASURY,
Washington, D.C., January 25, 1972.

Hon. WALTER F. MONDALE,
U.S. Senate, Washington, D.C.

DEAR SENATOR MONDALE: Your letter of December 17, 1971 to Secretary Connally, requesting information as to the tax savings which will result from the child care deduction for families in various circumstances has been referred to this office for reply. A table is enclosed, based on the outline accompanying your letter, showing the amount of tax saving which would result from the child care deduction for the cases you described.

In computing the tax savings certain assumptions were made. It was assumed that each family had deductible expenses, exclusive of the child care deduction equal to 15 percent of its adjusted gross income, which is probably fairly typical. Thus lower income families would normally use the $1,300 minimum standard deduction and would benefit from this provision only if their child care expenses are rather substantial. It was also assumed that the families had no dependents other than children under 15. This assumption has only a marginal effect on the tax savings shown, except in the lower income classes where extra exemptions may make the family nontaxable. Some additional assumptions are contained in footnotes to the table.

I hope this information will be helpful to you.

Sincerely,

JOEL SEGALL,
Deputy Assistant Secretary.

TAX SAVING FROM THE CHILD CARE DEDUCTION BY INCOME CLASS, TYPE AND SIZE OF FAMILY, AND AMOUNT EXPENDED FOR CHILD CARE, UNDER REVENUE ACT OF 1971[1]

Adjusted gross income[2]	Number of parents[3]	Number of children[4]	Child care expenditure[5]	Tax saving[6]
1. $4,000:				
A	2	1	$400	0
B	1	1	400	0
2. $5,000:				
A	2	1	500	0
B	1	1	500	0
C	2	2	1,000	63
3. $6,000:				
A	2	1	600	32
B	1	1	600	36
C	2	1	300	0
D	1	1	300	0
4. $7,000:				
A	2	1	700	77
B	1	1	700	83
5. $8,000:				
A	2	1	400	57
	2	1	1,600	264
B	1	1	400	57
	1	1	1,600	282
C	2	2	800	119
D	1	2	800	131
6. $10,000:				
A	2	1	500	95
B	1	1	500	110
C	2	1	1,000	190
	2	1	1,600	304
	2	1	2,400	453
D	1	1	1,000	220
	1	1	1,600	334
	1	1	2,400	406

See footnotes at end of table.

Adjusted gross income [2]	Number of parents [3]	Number of children [4]	Child care expenditure [5]	Tax saving
7. $15,000:				
A	2	1	500	110
B	1	1	500	125
C	2	1	1,000	220
	2	1	1,600	352
	2	1	2,400	578
	2	1	3,600	759
D	1	1	1,000	250
	1	1	1,600	393
	1	1	2,400	577
	1	1	3,600	850
8. $18,000:				
A	2	1	600	150
	2	1	1,000	250
	2	1	1,600	384
B	2	2	1,000	229
	2	2	1,600	361
	2	2	3,200	713
C	1	2	1,000	270
	1	2	1,600	421
	1	2	3,200	818
D	2	3	2,400	528
	2	3	3,600	790
	2	3	4,800	1,018
E	1	3	2,400	605
	1	3	3,600	880
	1	3	4,800	1,151
9. $25,000:				
A	2	1	1,000	0
	2	1	1,600	0
	2	1	2,000	0
B	1	2	1,000	0
	1	2	1,600	0
	1	2	2,000	0
C	2	2	2,000	0
	2	2	3,600	28
	2	2	4,800	354
D	1	2	2,400	0
	1	2	3,600	32
	1	2	4,800	413
E	2	3	2,400	0
	2	3	3,600	28
	2	3	4,800	364
F	1	3	2,400	0
	1	3	3,600	32
	1	3	4,800	405

---

[1] Each family is assumed to have itemizable deductions equal to 15 percent of adjusted gross income, exclusive of the amount paid for child care. Thus they would normally use the $1,300 minimum standard deduction if their incomes were less than $8,667 and they had no child care expenses. The families with $6,000 or less adjusted gross income and no tax saving are cases where the child care deduction is not large enough to make it profitable to itemize. The 15-percent deduction is a standard deduction up to $13,333, above this level it represents itemized deductions other than child care.

[2] In most cases adjusted gross income will equal or closely approximate gross income.

[3] Where there are 2 parents, a joint return is assumed. In the case of a single parent, head of household treatment is assumed.

[4] In this table all children are assumed to be under 15. Therefore the total number of personal exemptions allowed is the sum of the number of parents and the number of children indicated.

[5] It is assumed that where child care expenditures exceed $200 a month for 1 child or $300 a month for 2 children a domesic servant is involved, so no cutback in allowable deduction occurs as a result of these limits on care outside the household.

[6] Above $18,000 adjusted gross income the deduction otherwise allowable is reduced by 50 percent of income in excess of this amount. Thus at the $25,000 level only child care expenses in excess of $3,500 are deductible.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

EXHIBIT 2

STATEMENT OF PRINCIPLES

In rejecting the Comprehensive Child Development Act which Congress passed last year, the President rejected American children and their families. What is more, he established a double standard for poor children, whom he would condemn to custodial day care while he forces their parents to works under the guise of "welfare reform."

Nothing is more critical to the future of this country than that every child have the opportunity to fully develop his physical, intellectual and social potential as a human being. This nation must be prepared to commit its resources to help families realize this potential in their children, when they seek such support outside the home.

We reject the President's contention in his veto message that public support for child development programs is not necessary, or that it would in some way destroy the family. On the contrary, as the President's own White House Conference on Children emphasized, such programs are urgently needed and, when properly developed, they will strengthen families.

The undersigned organizations are committed to certain principles which were embodied in the legislation which was passed by bipartisan majorities of both houses of Congress last year. We reaffirm those principles as follows:

1 that programs must be of high quality comprehensive, and developmental, oriented to the needs of children and available to all children;

2 that parents must be directly involved in policy decisions affecting their own children;

3 that programs must be locally controlled and flexible enough to meet individual community needs;

4 that programs must be designed to include children with a variety of socioeconomic backgrounds;

5 that adequate protections must be provided to assure that the needs of minority group and economically disadvantaged children are met; and

6 that this nation must make a substantial commitment of new public funds to begin to meet the compelling and immediate need for these services.

Amalgamated Clothing Workers.
AFL-CIO.
Americans for Democratic Action.
Americans for Indian Opportunity Action Council.
Black Child Development Institute.
Center for Community Change.
Child Welfare League of America.
Children's Foundation.
Common Cause.
Friends Committee on National Legislation.
Health and Welfare Council of the National Capital Area.
International Ladies Garment Workers Union.
Interstate Research Associates.
Leadership Conference on Civil Rights.
League of Women Voters.
National Board of the Young Women's Christian Association of the U.S.A.
National Council of Churches.
National Council of Jewish Women.
National Council of Negro Women.
National Council on Hunger and Malnutrition.

National Education Association.
National Urban Coalition.
National Urban League.
National Welfare Rights Organization.
United Auto Workers.
Thelma C. Adair, Coordination of Education Strategy, United Presbyterian Board of National Missions.
Mary Jane Patterson, United Presbyterian Church of the U.S.A., Washington Office.
Women's International League for Peace and Freedom.
Washington Research Project Action Council.

COMPREHENSIVE CHILD CARE

SEC. 15. (a) Title V of the Economic Opportunity Act of 1964 is amended to read as follows:

"TITLE V—CHILD CARE CENTERS AND SERVICES

"STATEMENT OF FINDINGS AND PURPOSE

"SEC. 501. (a) The Congress finds that—

"(1) child care programs must build upon the role of the family as the primary and most fundamental influence on the development of children and must be provided only to children whose parents or legal guardians request them;

"(2) many of the over three million children of preschool age living in poverty do not receive adequate health care, nutrition, and educational opportunities;

"(3) there are over five million preschool children and twenty million school-age children whose mothers are working full or part time but there are fewer than seven hundred thousand openings in licensed day care facilities to serve them;

"(4) comprehensive family-oriented child care programs, including a full range of health, education, and social services, can enhance the opportunity for children to attain their full potential;

"(5) children with special needs must receive full and special consideration in planning any child care programs with priority to preschool children with the greatest economic and social need;

"(6) while no mother should be forced to work outside the home as a condition for using child care programs, such programs are essential to many parents who undertake or continue full- or part-time employment, training, or education;

"(7) comprehensive child care programs not only provide a means of delivering a full range of essential services to children, but can also furnish meaningful employment opportunities for many individuals including older persons, parents, young persons, and volunteers from the community; and

"(8) it is essential that the planning and operation of such programs be undertaken as a partnership of parents, community, and State and local government with appropriate assistance from the Federal Government.

"(b) It is the purpose of this title (1) to provide child care centers and services of high quality to children whose parents request them, with priority for those children who need them most, (2) to recognize and build upon the experience and success gained through the Headstart program and other child care programs, (3) to provide quality child care services, with emphasis on programs for children of preschool age regardless of economic, social, and family background and full day care services for children of working mothers and single parent families, (4) to provide that decisions on the nature and funding of such programs be made at the local level with the full involvement of parents and other individuals and organizations interested in child care, and (5) to establish the legislative framework for comprehensive child care services.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 502. (a) For the purpose of carrying out this title, there is authorized to be appropriated $1,500,000,000 for the fiscal year ending June 30, 1974. Any amounts appropriated for such fiscal year which are not obligated at the end of such fiscal year may be obligated in the succeeding fiscal year.

"(b) For the purpose of providing training, technical assistance, planning, and such other activities as the Secretary deems necessary and appropriate to prepare for the implementation of this title, there is authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1973.

"ALLOCATION OF FUNDS

"Sec. 503. (a) The amounts appropriated for carrying out this title for any fiscal year after June 30, 1973, shall be made available in the following manner:

"(1) $500,000,000 shall first be used for the purpose of providing assistance under parts A, B, and E of this title for child care programs focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects;

"(2) not to exceed 10 per centum of the remaining amounts so appropriated shall be used for the purpose of carrying out parts B, C, D, and E of this title, as the Secretary deems appropriate; and

"(3) the remainder of such amounts shall be used for the purpose of carrying out part A of this title.

"(b)(1) From the amounts available for carrying out comprehensive child care programs under part A of this title, the Secretary shall reserve the following:

"(A) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children of migrant agricultural workers bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children of migrant agricultural workers on an equitable basis, and to the extent practicable in proportion to the relative numbers of children served in each such program.

"(B) not less than that proportion of the total amount available for carrying out such part A as is equivalent to that proportion which the total number of children in Indian tribal organizations bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children in Indian tribal organizations on an equitable basis, and to the extent practicable in proportion to the relative numbers of children in each such program;

"(C) not less than 10 per centum of the total amount available for carrying out such part A, which shall be made available for the purposes of section 512(2)(H) of such part (relating to special activities for handicapped children);

"(D) not to exceed 5 per centum of the total amount available for carrying out such part A, which shall be made available under section 514(f)(3) of such part (relating to model programs).

"(2) The Secretary shall allocate the remainder of the amounts available for part A of this title (except for funds made available under paragraphs (1) and (3) of this subsection) among the States, and within the States among local areas, so as to provide, to the extent practicable, for the geographical distribution of such remainder in such a manner that—

"(A) 50 per centum thereof shall be apportioned among the States, and within each such State among local areas, in proportion to the relative numbers of children through age five in each such State and local area, respectively; and

"(B) 50 per centum thereof shall be apportioned among the States, and within each such State among local areas, in proportion to the relative numbers of economically disadvantaged children of working mothers and single parents in each such State and local area, respectively.

For the purposes of clauses (A) and (B) of this paragraph, there shall be excluded those children who are counted under clauses (A) and (B) of subsection (b)(1) of this section.

"(3) Not to exceed 5 per centum of the total funds allotted for use within a State pursuant to paragraph (2) shall be made available to enable States to carry out the provisions of section 513(a) of this title.

"(c) Any portion of any apportionment under subsection (b) for a fiscal year which the Secretary determines will not be required for the period for which such apportionment is available for carrying out programs under this part shall be available for reapportionment from time to time, on such dates during such period as the Secretary shall fix, to other States or local areas on an equitable basis, taking into account the original apportionments to the States and local areas. Any amount reapportioned to a State or local area under this subsection during a year shall be deemed part of its apportionment under subsection (b) for such year.

"(d) In determining the numbers of children for purposes of allocating and apportioning funds under this section, the Secretary shall use the most recent satisfactory data available to him.

"(e) As soon as practicable after funds are appropriated to carry out this title for any fiscal year, the Secretary shall publish in the Federal Register the allocations and apportionments required by this section.

"Part A—Comprehensive Child Care Programs

"PROGRAMS ASSISTED

"Sec. 511. The Secretary of Health, Education, and Welfare shall provide financial assistance to prime sponsors and to other public and private agencies and organizations pursuant to plans and applications approved in accordance with the provisions of this part for the purpose of carrying out child care programs for children whose parents or legal guardians request them, including—

"(1) preschool programs providing full-day services and activities for children when there is no parent at home to provide care;

"(2) preschool programs providing part-day services and activities designed to prepare children for school in the years before they enter the elementary school grades;

"(3) in-home services and consultation to assist families with children of preschool age in providing for the healthy growth and development of each child's full potential;

"(4) day care programs providing services and activities (including recreation and tutoring programs) for school-age children at times when school is not in session and there is no parent at home to provide care, including after-school and, where necessary, before-school hours and during summer and other vacation periods;

"(5) parent and child centers, special programs for children with identified needs (including but not limited to handicapped children), and follow-through and other supplementary services and activities, involving the participation of parents.

"USES OF FUNDS

"Sec. 512. Funds available for this part may be used (in accordance with approved applications) for programs including the following services and activities:

"(1) planning and developing child care programs, including the operation of pilot programs to test the effectiveness of new concepts, programs, and delivery systems;

"(2) establishing, maintaining, and operating child care programs, which may include—

"(A) comprehensive health, nutritional, education, social, and other services to assist children in attaining their full potential and to prepare children for school;

"(B) full-day and part-day child care services (including after school and summer programs), with appropriate health, nutritional, education, social, and other services;

"(C) food and nutritional services;

"(D) rental, lease or lease-purchase, mortgage amortization payments, remodeling, renovation, alteration, construction, or acquisition of facilities, including mobile facilities, and the acquisition of necessary equipment and supplies;

"(E) programs designed (i) to meet the special needs of minority group, Indian, and migrant children with particular emphasis on the needs of children from bilingual families for the development of skills in English and the other language spoken in the home, and (ii) to meet the needs of all children to understand the history and cultural backgrounds of minority groups which belong to their communities;

"(F) medical, dental, psychological, educational, and other appropriate diagnosis, identification, and treatment of visual, hearing, speech, nutritional, and other physical, mental, and emotional problems;

"(G) prenatal and other medical services to expectant mothers who cannot afford such services, designed to help reduce malnutrition, infant and maternal mortality, and the incidence of mental retardation and other handicapping conditions, and post-partum and other medical services (including family planning information) to such recent mothers;

"(H) incorporation within child care programs of special activities designed to identify and ameliorate physical, mental, and emotional handicaps and special learning disabilities and, where necessary because of the severity of such handicaps, establishing, maintaining, and operating separate child care programs designed primarily to meet the needs of handicapped children including emotionally disturbed children;

"(I) preservice and inservice education and other training designed to prepare professional and paraprofessional personnel and parents and other family members to provide child care and related services;

"(J) dissemination of information in the functional language of those to be served to assure that parents are well informed of child care programs available to them and may become directly involved in such programs;

"(K) services, including in-home services, and training in the fundamentals of child care, for parents, older family members, and others functioning in the capacity of parents, youth, and prospective parents;

"(L) programs designed to extend comprehensive prekindergarten early childhood education techniques and gains (particularly parent participation), into kindergarten and early primary grades (one through three), in cooperation with local educational agencies;

"(M) such other services and activities as the Secretary deems appropriate in furtherance of the purposes of this part; and

"(3) staff and other administrative expenses of Child Care Councils established and operated in accordance with this part.

"STATE PLAN

"SEC. 513. (a) The Secretary shall approve a plan submitted by any State which sets forth satisfactory provisions for establishing and maintaining a State Child Care Council which meets the requirements of section 515 and which sets forth provisions for carrying out activities under the supervision of such Council for the purposes of—

"(1) identifying child care goals and needs within the State;

"(2) assisting prime sponsors other than the State in the establishment of Child Care Councils and strengthening the capability of such Councils to effectively plan, supervise, coordinate, monitor, and evaluate child care programs;

"(3) providing for the cooperation and participation of State agencies providing child care and related services, including health, family planning, mental health, education, nutrition, and family, social, and rehabilitative services, in the development and implementation of the comprehensive child care plan of the State and where requested by any local prime sponsor;

"(4) encouraging the full utilization of resources and facilities for child care programs within the State;

"(5) disseminating the results of research on child care programs;

"(6) conducting programs for the exchange of personnel involved in child care programs within the State;

"(7) assisting public and private agencies and organizations in the acquisition or improvement of facilities for child care programs;

"(8) monitoring and evaluating federally-assisted child care programs and projects within the State;

"(9) assessing State and local licensing codes as they relate to child care programs within the State; and

"(10) developing information useful in reviewing prime sponsorship plans under section 514(g) and comprehensive child care plans under section 516(b) (3.

"(b) A State applying for designation as prime sponsor for geographical areas within the State which are not otherwise served by a local prime sponsor shall, in addition to the provisions required to be included in its prime sponsorship plan in accordance with section 514, set forth in its State plan adequate provisions—

"(1) for designating local program areas each of which shall serve a geographical area covered by (A) a unit of general local government, or (B) units of general local government serving a total population of not more than fifty thousand persons;

"(2) for establishing and maintaining with respect to each local program area a local policy council composed so that (A) not less than half of the members of each such council shall be parent members who shall be chosen initially by the parent member of Headstart policy committees where they exist, and at the earliest practicable time by the parent members of project policy committees established pursuant to section 517(a)(2) of this part, and (B) the remainder shall be public members appointed by the chief exective officers or the governing bodies, as appropriate, of the units of general local government within the local program area;

"(3) to assure that project applications shall be approved by the Child Care Council only if previously approved by the local policy council for the appropriate local program area;

"(4) to assure that contracts for the operation of programs through public or private agencies or organizations shall be entered into only if previously approved by the local policy council for the appropriate local program area; and

"(5) for the development and preparation with full participation and approval of the appropriate local policy council of that portion of the comprehensive child development plan to be submitted by the State which affects each local program area.

"PRIME SPONSORS OF CHILD CARE PROGRAMS

"SEC. 514. (a) In accordance with the provisions of this section, a State, unit or combination of units of general local government, Indian tribal organization, or public or private nonprofit agency or organization, meeting the requirements of this part may be designated by the Secretary as a prime sponsor for the purpose of entering into arrangements to carry out child care programs under this part, if the Secretary determines that any such applicant for prime sponsorship designation has the capability of effectively carrying out child care programs under this part and has submitted a satisfactory prime sponsorship plan which—

"(1) describes the prime sponsorship area to be served;

"(2) sets forth satisfactory provision for establishing and maintaining a Child Care Council which meets the requirements of section 515;

"(3) provides that such Council will be responsible for developing and preparing a comprehensive child care plan for each fiscal year and any modifications thereof;

"(4) sets forth arrangements under which such Council will be responsible for planning, supervising, conducting, coordinating, monitoring and evaluating child care programs in the prime sponsorship area;

"(5) in the case of an applicant which is a State or a unit or combination of units of general local government, provides for the operation of programs under this part through contracts with public or private agencies or organizations, including but not limited to community action agencies, single-purpose Headstart agencies, local public and private educational agencies and institutions, community development corporations, parent cooperatives, organizations of Indians, and employer and employee organizations, which will serve children in a community or neighborhood or other area possessing a commonality of interest; and

"(6) sets forth satisfactory provisions for coordination with educational agencies and providers of educational services;

"(7) provides assurances that such Council will, by contract or other arrangement with State, local, or other public or private nonprofit agencies or organizations, provide, where available—

"(A) child-related family, social, and rehabilitative services;

"(B) health (including family planning) and mental health services;

"(C) nutrition services; and

"(D) training of professional and paraprofessional personnel.

"(b) The Secretary shall approve a prime sponsorship plan submitted by a State if he determines that the plan so submitted meets the requirements of subsection (a) of this section and sets forth adequate arrangements for serving all geographical areas under its jurisdiction except for areas with respect to which local prime sponsors are designated under this section.

"(c)(1) The Secretary shall approve a prime sponsorship plan submitted by a unit of general local government which is (A) a city having a population of twenty-five thousand or more persons, or (B) a county or other unit of general local government having a population of twenty-five thousand or more persons (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of this paragraph), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area covered by such unit of general local government.

"(2) In the event that the area under the jurisdiction of a unit of general local government described in clause (A) or (B) of paragraph (1) of this subsection includes any common geographical area with that covered by another such unit of general local government, the Secretary shall designate to serve such area the unit of general local government which he determines has the capability of more effectively carrying out the purposes of this part with respect to such area and which has submitted a plan which meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in such area.

"(d) The Secretary shall approve a prime sponsorship plan submitted by a combination of units of general local government having a total population of twenty-five thousand or more persons (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of subsection (c)(1)), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area covered by the combination of such units of general local government.

"(e) The Secretary shall approve a prime sponsorship plan submitted by an Indian tribal organization if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child care programs in the area to be served.

"(f) The Secretary may approve a prime sponsorship plan submitted by a unit or combination of units of general local governments regardless of population size or by a public or private nonprofit agency, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development coropration, parent cooperative, organization of migrant agricultural workers, organization of Indians, employer organization, labor union, or employee or labor-management organization, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes provisions setting forth—

"(1) arrangements for serving children in a community or neighborhood or other urban or rural area possessing a commonality of interest in any area (A) with respect to which there is no prime sponsorship designation in effect, or (B) with respect to any portion of an area where a designated prime sponsor is found not to be satisfactorily implementing child care programs which adequately meet the purposes of this part, or (C) for making available special services, in accordance with criteria established by the Secretary, designed to meet the needs of economically disadvantaged or preschool children or children of working mothers or single parents; or

"(2) arrangements for providing comprehensive child care programs on a year-round basis to children of migrant agricultural workers and their families; or

"(3) arrangements for carrying out model programs especially designed to be responsive to the needs of economically disadvantaged, minority group, bilingual, or preschool children.

"(g) The Governor shall be given not less than thirty nor more than sixty days to review applications for prime sponsorship designation submitted by any applicant other than the State, to offer recommendations to the applicant, and to submit comments to the Secretary.

"(h) A prime sponsorship plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time in which to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(i)(1) If any party is dissatisfied with the Secretary's final action under subsection (h) with respect to the disapproval of its plan submitted under this section or the withdrawal of its prime sponsorship designation, such party may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such party is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

"(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(j) When any unit or combination of units of general government or other prime sponsor is maintaining a pattern and practice of discrimination against minority group persons, the Secretary shall approve the application for prime sponsorship of an alternative unit of government or public or private nonprofit agency or organization in the area which will equitably serve minority and economically disadvantaged persons.

"(k) In the event that a State, a unit or combination of units of general local government, or an Indian tribal organization has not submitted a comprehensive child care plan under section 516 or the Secretary has not approved a plan so submitted, or where the Secretary has not designated or has withdrawn designation of prime sponsorship under this section, or where the needs of migrants, preschool-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served, the Secretary may directly fund projects, including those in rural areas without regard to population, that he deems necessary in order to serve the children of the particular area.

“CHILD CARE COUNCILS

“SEC. 515. (a) Every State and other prime sponsor designated under section 514 shall establish and maintain a Child Care Council composed of not less than 10 members as follows—

“(1) not less than half of the members of such Council shall be parents of children served in child care programs under this part; and

“(2) the remaining members shall be appointed by the prime sponsor to represent the public, but (A) not less than half of such members shall be persons who are broadly representative of the general public, including government agencies, public and private agencies and organizations in such fields as economic opportunity, health, education, welfare, employment and training, business or financial organizations or institutions, labor unions, and employers, and (B) the remaining members, the number of which shall be either equal to or one less than the number of members appointed under clause (A), shall be persons who are particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child care services, except that the Secretary may waive or reduce the requirement of this clause (B) to the extent that he determines, in accordance with regulations which he shall prescribe that such persons are not available to the area to be served.

At least one-third of the total membership of the Child Care Council shall be parents who are economically disadvantaged. Each Council shall select its own chairman.

“(b) In accordance with procedures which the Secretary shall establish pursuant to regulations, every State and other prime sponsor designated under section 514 shall provide, with respect to its Child Care Council—

“(1) in the case of the Child Care Council of a State, (A) that the parent members described in paragraph (1) of subsection (a) of this section shall be chosen by the parent members of local policy councils established pursuant to section 513 of this part, and (B) that the public members described in paragraph (2) of subsection (a) of this section shall be appointed by the Governor of the State;

“(2) in the case of the Child Care Council of a prime sponsor other than a State, (A) that the parent members described in paragraph (1) of subsection (a) of this section shall be chosen initially by the parent members of Headstart policy committees where they exist, and at the earliest practicable time by the parent members of project policy committees established pursuant to section 517(a)(2) of this part, and (B) that the public members described in paragraph (2) of subsection (a) of this section shall be appointed by the chief executive officer or the governing body, whichever is appropriate, of the prime sponsor;

"(3) for such terms of office and other policies and procedures of an organizational nature, including nomination and election procedures, as are appropriate in accordance with the purposes of this part;

"(4) that such Council shall have responsibility for approving basic goals, policies, actions, and procedures for the prime sponsor and for planning, general supervision and oversight, overall coordination, personnel, budgeting, funding of projects, and monitoring and evaluation of projects each year according to criteria established by the Secretary; and

"(5) that such Council shall, upon its own initiative or upon request of a project applicant or any other party in interest, conduct public hearings before acting upon applications for financial assistance submitted by project applicants under this part.

"COMPREHENSIVE CHILD CARE PLANS

"SEC. 516. (a) Financial assistance under this part may be provided by the Secretary for any fiscal year to a State or other prime sponsor designated under section 514 only pursuant to a comprehensive child care plan which is submitted by such prime sponsor and approved by the Secretary in accordance with the provisions of this part. Any such plan shall set forth a comprehensive program for providing child care services in the prime sponsorship area which—

"(1) provides that programs or services under this title shall be provided only for children whose parents or legal guardiance request them;

"(2) identifies child care needs and goals within the area and describes the purposes for which the financial assistance will be used;

"(3) meets the needs of children in the prime sponsorship area, to the extent that available funds can be reasonably expected to have an effective impact, with priority to children who have not attained six years of age;

"(4)(A) provides that funds received under section 503(a)(1) will be used for child care programs and services focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects by reserving for such projects from such funds in any fiscal year an amount at least equal to the aggregate amount received by public or private agencies and organizations within the prime sponsorship area for programs during the fiscal year ending June 30, 1973, under section 222(a)(1) of the Economic Opportunity Act of 1964, and (B) provides that programs receiving funds under section 503(d) will give priority to providing services for economically disadvantaged children by reserving not less than 65 per centum of the cost of programs receiving such funds for the purpose of serving children of families having an annual income below the lower living standard budget as determined under paragraph (5) of section 571;

"(5) gives priority thereafter to providing child care programs and services to children of working mothers and single parents not covered under paragraph (4);

"(6) provides procedures for the approval of project applications submitted in accordance with section 517;

"(7) provides, in the case of a prime sponsor located within or adjacent to a metropolitan area, for coordination with other prime sponsors located within such metropolitan area, and arrangements for cooperative funding where appropriate, and particularly for such coordination where appropriate to meet the needs for child care services of children of parents working or participating in training or otherwise occupied during the day within a prime sponsorship area other than that in which they reside;

"(8) provides that, to the extent feasible each program within the prime sponsorship area will include children from a range of socioeconomic backgrounds;

"(9) provides comprehensive services (A) to meet the special needs of minority group children and children of migrant agricultural workers with particular emphasis on the needs of children from bilingual families for development of skills in English and in the other language spoken in the home, and (B) to meet the needs of all children to understand the history and cultural background of minority groups which belong to the communities;

"(10) provides equitably for the child care needs of children from each minority group and significant segment of the economically disadvantaged residing within the area served;

"(11) provides, insofar as possible, for coordination of child care programs with other social programs (including but not limited to those relating to employment and manpower) so as to keep family units intact or in close proximity during the day;

"(12) provides for direct parent participation in the conduct, overall direction, and evaluation of programs;

"(13) includes to the extent feasible a career development plan for paraprofessional and professional training, education, and advancement on a career ladder;

"(14) provides that, insofar as possible, persons residing in communities being served by such projects will receive jobs, including in-home and part-time jobs and opportunities for training in programs under part B of this title, with special consideration for career opportunities for low-income persons;

"(15) provides for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons in the community are fully informed of the activities of the Child Care Council and of delegate agencies;

"(16) assures that procedures and mechanisms for coordination have been developed in cooperation with agencies and organizations carrying out preschool programs and administrators of local educational agencies and nonpublic schools, at the local level, to provide continuity between programs for preschool and elementary school children and to coordinate programs conducted under this part and programs conducted pursuant to section 222(a)(2) of the Economic Opportunity Act of 1964 and the Elementary and Secondary Education Act of 1965;

"(17) establishes arrangements in the area served for the coordination of programs conducted under the auspices of or with the support of business or financial institutions or organizations, industry, labor, employee and labor-management organizations, and other community groups;

"(18) sets forth provisions describing any arrangements for the delegation, under the supervision of the Child Care Council, to public or private agencies, institutions, or organizations, of responsibilities for the delivery of programs, services, and activities for which financial assistance is provided under this part or for planning or evaluation services to be made available with respect to programs under this part;

"(19) contains plans for regularly conducting surveys and analyses of needs for child care programs in the prime sponsorship area and for submitting to the Secretary a comprehensive annual report and evaluation in such form and containing such information as the Secretary shall require by regulation;

"(20) provides that services for handicapped children, at both the State and local levels, will be used wherever available in programs approved under the plan;

"(21) provides assurances satisfactory to the Secretary that the non-Federal share requirements will be met;

"(22) provides for such fiscal control and funding accounting procedures as the Secretary may prescribe to assure proper disbursement of and accounting for Federal funds paid to the prime sponsor;

"(23) provides that special consideration will be given to project applications submitted by public and private nonprofit agencies and organizations with on-going programs; and

"(24) provides assurance that in developing plans for any facilities due consideration will be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(b) No comprehensive child care plan or modification thereof submitted by a prime sponsor under this section shall be approved by the Secretary unless he determines, in accordance with regulations which the Secretary shall prescribe, that—

"(1) each community action agency or single-purpose Headstart agency in the area to be served previously responsible for the administration of programs under this part or under section 222(a)(1) of the Economic Opportunity Act of 1964 has had an opportunity to submit comments to the prime sponsor and to the Secretary;

"(2) the local educational agency for the area to be served and other appropriate educational and training agencies and institutions have had an opportunity to submit comments to the prime sponsor and to the Secretary; and

"(3) in the case of a plan submitted by a prime sponsor other than the State, the State Child Care Council has had an opportunity to submit comments to the prime sponsor and to the Secretary.

"(c) A comprehensive child care plan submitted under this section may be disapproved or a prior approval withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

"(d) In order to contribute to the effective administration of this title, the Secretary shall establish appropriate procedures to permit prime sponsors to submit jointly a single comprehensive child care plan for the areas served by such prime sponsors.

"PROJECT APPLICATIONS

"SEC. 517. (a) Financial assistance under this part may be provided to a project applicant for any fiscal year only pursuant to a project application which is submitted by a public or private agency and which provides—

"(1) that funds will be provided for carrying out any child care program under this part only to a qualified public or private agency or organization, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, private organization interested in child development, employer or business organization, labor union, or employee or labor-management organization;

"(2) for establishing and maintaining project policy committees composed of not less than 10 members as follows—

"(A) not less than half of the members of each such committee shall be parents of children served by such project, and

"(B) the remaining members of each such committee shall consist of (1) persons who are representative of the community and who are approved by the parent members, and (ii) one person who is particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child care services, except that the Secretary may waive the requirement of this cause (ii) where he determines, in accordance with regulations which he shall prescribe, that such person is not available to the area to be served;

"(3) for direct participation of such project policy committees in the development and preparation of project applications under this part;

"(4) that adequate provision will be made for training and other administrative expenses of such project policy committees (including necessary expenses to enable low-income members to participate in council or committee meetings;

"(5) that that project policy committees shall have responsibility for approving basic goals, policies, actions, and procedures for the project applicant, and for planning, overall conduct, personnel, budgeting, location of centers and facilities, and direction and evaluation of projects;

"(6) that programs assisted under this part will provide for such comprehensive health, nutritional, education, social, and other services, as are necessary for the full development of each participating child;

"(7) that adequate provision will be made for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons are fully informed of project activities;

"(8) that with respect to child care services provided by programs assisted under this part—

"(A) no charge will be made with respect to any child who is a member of any family with an annual income equal to or less than $4,320 with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party (including a public agency); and

"(B) such charges as the Secretary may provide will be made with respect to any child of any other family, in accordance with an appropriate fee schedule established by him, based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget (as determined in accordance with paragraph (5) of section 571) shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds the highest income level at which no charges would be made with respect to children of such family under subparagraph (A) but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget, and if more than two children from the same family are participating, additional charges may be made not to exceed the sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each such additional child;

"(9) that children will in no case be excluded from the programs operated pursuant to this part because of their participation in nonpublic preschool or school programs or because of the intention of their parents to enroll them in nonpublic schools when they attain school age;

"(10) that programs will, to the extent appropriate, employ paraprofessional aides and volunteers, especially parents, older children, students, older persons, and persons preparing for careers in child care programs;

"(11) that no person will be denied employment in any program solely on the ground that he fails to meet State or local teacher certification standards;

"(12) that programs assisted under this part will provide for the utilization of personnel, including paraprofessional and volunteer personnel, adequate to meet the needs of each participating child;

"(13) that there are assurances satisfactory to the Secretary that the non-Federal share requirements will be met; and

"(14) that provision will be made for such fiscal control and fund accounting procedures as the Secretary shall prescribe to assure proper disbursement of and accounting for Federal funds.

"(b) A project application may be approved by a prime sponsor upon its determination that such application meets the requirements of this section and that the programs provided for therein will otherwise further the objectives and satisfy the appropriate provisions of the prime sponsor's comprehensive child care plan as approved pursuant to section 516.

"(c) A project application from a public or private nonprofit agency which is also a prime sponsor under section 513(f) shall be submitted directly to the Secretary, together with the comprehensive child care plan.

"(d) A prime sponsor may disapprove a project application only if it provides to the project applicant a written statement of the reasons therefor. Such project applicant may submit an appeal to the Secretary requesting the direct approval of such application or modification thereof. Any such appeal shall include such comments, including the project applicant's response to the prime sponsor's statement of reasons for disapproval, as the project applicant may deem appropriate or as the Secretary may require.

"(e) A project application submitted directly to the Secretary may be approved by the Secretary upon his determination that it meets the requirements of subsection (a) of this section.

"ADDITIONAL CONDITIONS FOR PROGRAMS INCLUDING CONSTRUCTION

"SEC. 518. (a) Applications for financial assistance for projects including construction may be approved only if the Secretary determines that construction of such facilities is essential to the provision of adequate child care services, and that rental, lease or lease-purchase, remodeling, or renovation of adequate facilities is not practicable.

"(b) If any facility assisted under this part shall cease to be used for the purposes for which it was constructed, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

"(c) All laborers and mechanics employed by contractors or subcontractors on all construction, remodeling, renovation, or alteration projects assisted under this part shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(d) In the cast of loans or construction, the Secretary shall prescribe the interest rate and the period within which such loan shall be repaid, but such interest rates shall not be less than 3 per centum per annum and the period within which such loan is to be repaid shall not be more than twenty-five years.

"(e) The Federal assistance or construction may be in the form of grants or loans, provided that total Federal funds to be paid to other than public or private nonprofit agencies and organizations will not exceed 50 per centum of the construction cost, and will be in the form of loans. Repayment of loans shall, to the extent required by the Secretary, be returned to the prime sponsor from whose financial assistance the loan was made, or used for additional loans or grants under this title. Not more than 15 per centum of the total financial assistance provided to a prime sponsor under this part shall be used for construction of facilities with no more than 7½ per centum of such assistance usable for grants for construction.

"(f) In the case of a project for the construction of facilities and in the development of plans for such facilities due consideration shall be given to excellence of architecture and design and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"USE OF PUBLIC FACILITIES FOR CHILD DEVELOPMENT PROGRAMS

"SEC. 519. (a) The Secretary, after consultation with other appropriate officials of the Federal Government, shall within eighteen months after enactment of this title report to the Congress with respect to the extent to which facilities owned or leased by Federal departments, agencies, and independent authorities could be made available to public and private nonprofit agencies and organizations through appropriate arrangements, for use as facilities for child care programs under this title during times and periods when not utilized fully for their usual purposes, together with his recommendations (including recommendations for changes in legislation) or proposed actions for such use.

"(b) The Secretary may require, as a condition to the receipt of assistance under this part, that any prime sponsor under this part agree to conduct a review and provide the Secretary with a report as to the extent to which facilities owned or leased by such prime sponsor, or by other agencies in the prime sponsorship area, could be made available, through appropriate arrangements, for use as facilities for child care programs under this title during times and periods when not utilized fully for their usual purposes, together with the prime sponsor's proposed actions for such use.

"PAYMENTS

"SEC. 520. (a) In accordance with this section, the Secretary shall pay from the applicable allocation or apportionment under section 503 the Federal share of the costs of programs, services, and activities, in accordance with plans or applications which have been approved as provided in this part. In making such payment to any prime sponsor, the Secretary shall include in such costs an amount for staff and other administrative expenses for the Child Care Council not to exceed an amount which is reasonable when compared with such costs for other prime sponsors.

"(b)(1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary shall pay an amount not in excess of 90 per centum of the cost of carrying out programs, services, and activities under this part. The Secretary may, in accordance with such regulations as he shall prescribe, approve assistance in excess of such percentage if he determines that such action is required to provide adequately for the child care needs of economically disadvantaged children.

"(2) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child care programs for children of migrant agricultural workers and their families under this part.

"(3) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child care programs for children in Indian tribal organizations under this part.

"(c) The non-Federal share of the costs of programs assisted under this part may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, or union or employer contributions. Fees collected for services provided pursuant to section 517(a)(8) shall not be used to make up the non-Federal share, but shall be used by the project applicant for the same purposes as payments under this section, except that, in the case of projects assisted under a comprehensive child care plan, such fees shall be turned over to the appropriate prime sponsor for distribution in the same manner as the prime sponsor's allocation under section 516(a)(4).

"(d) If, with respect to any fiscal year, a prime sponsor or project applicant provides non-Federal contributions for any program, service, or activity exceeding its requirements, such excess may be applied toward meeting the requirements for such contributions for the subsequent fiscal year under this part.

"(e) No State or unit of local government shall reduce its expenditures for child care programs by reason of assistance under this part.

"Part B—Training, Technical Assistance, Planning and Evaluation

"PRESERVICE AND INSERVICE TRAINING

"Sec. 531. The Secretary is authorized to make payments to provide financial assistance to enable individuals employed or preparing for employment in child care programs assisted under this title, including volunteers, to participate in programs of preservice or inservice training for professional and nonprofessional personnel, to be conducted by any agency carrying out a child care program, or any institution of higher education, including a community college, or by any combination thereof.

"TECHNICAL ASSISTANCE AND PLANNING

"Sec. 532. The Secretary shall, directly or through grant or contract, make technical assistance available to prime sponsors and to project applicants participating or seeking to participate in programs assisted under this title on a continuing basis to assist them in planning, developing, and carrying out child care programs.

"EVALUATION

"Sec. 533. (a) The Secretary shall, through the Office of Child Development unless the Secretary determines otherwise, make an evaluation of Federal involvement in child care activities and services, which shall include—

"(1) enumeration and description of all Federal activities which affect child care;

"(2) analysis of expenditures of Federal funds for such activities and services;

"(3) determination of the effectiveness of such activities and services;

"(4) the extent to which preschool, minority group, and economically disadvantaged children and their parents have participated in programs under this title; and

"(5) such recommendations to the Congress as the Secretary may deem appropriate.

"(b) The results of the evaluation required by subsection (a) of this section shall be reported to the Congress not later than eighteen months after the date of enactment of this title.

"(c) The Secretary shall establish such procedures as may be necessary to conduct an annual evaluation of Federal involvement in child care programs, and shall report the results of each such evaluation to Congress.

"(d) Prime sponsors and projects applicants assisted under this title and departments and agencies of the Federal Government shall, upon request, by the Secretary, make available, consistent with other provisions of law, such information as the Secretary determines is necessary for purposes of making the evaluation required under subsection (c) of this section.

"(e) The Secretary may enter into contracts with public or private agencies, organizations, or individuals to carry out the provisions of this section.

"(f) The Secretary shall reserve for the purposes of this section not less than 1 per centum, and may reserve for such purposes not more than 2 per centum, of the amounts available under paragraphs (2) and (3) of section 503(a) of this title for any fiscal year.

"FEDERAL STANDARDS FOR CHILD CARE SERVICES

"SEC. 534. (a) Within six months after the enactment of the Economic Opportunity Amendments of 1971, the Secretary shall, after consultation with other Federal agencies and with the Committee established pursuant to subsection (c) of this section, promulgate a common set of program standards which shall be applicable to all programs providing child care services with Federal assistance under this title, to be known as the Federal Standards for Child Care Services. If the Secretary disapproves the Committee's recommendations, he shall state the reasons therefor.

"(b) The Federal Interagency Day Care Requirements, as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968, shall be applicable to all programs providing child care services with Federal assistance under this title.

"(c) The Secretary shall, within sixty days after enactment of this title, appoint a Special Committee on Federal Standards for Child Care Services, which shall include parents of children enrolled in child care programs, representatives of public and private agencies and organizations administering child care programs, and specialists and others interested in the care and development of children. Not less than one-half of the membership of the Committee shall consist of parents of children participating in programs conducted under section 222(a)(1) of this Act and title IV of the Social Security Act and part A of this title. Such Committee shall participate in the development of Federal Standards for Child Care Services and modifications thereof as provided in subsection (a).

"DEVELOPMENT OF UNIFORM MINIMUM CODE FOR FACILITIES

"SEC. 535. (a) The Secretary shall, within sixty days after enactment of the Economic Opportunity Amendments of 1971, appoint a special committee to develop a uniform minimum code for facilities, to be used in licensing child development facilities. Such standards shall deal principally with those matters essential to the health, safety, and physical comfort of the children and the relationship of such matters to the Federal Standards for Child Care Services under section 534.

"(b) The special committee appointed under this section shall include parents of children participating in child care programs and representatives of State and local licensing agencies, public health officials, fire prevention officials, the construction industry and unions, public and private agencies or organizations administering child care programs, and national agencies or organizations interested in the care and development of children. Not less than one-half of the membership of the committee shall consist of parents of children enrolled in programs conducted under section 222(a)(1) of this Act and title IV of the Social Security Act and part A of this title.

"(c) Within one year after its appointment, the special committee shall complete a proposed uniform minimum code for facilities and shall hold public hearings on the proposed code prior to submitting its final recommendation to the Secretary for his approval.

"(d) After considering the recommendations submitted by the special committee in accordance with subsection (c), the Secretary shall promulgate standards which shall be applicable to all facilities receiving Federal financial assistance under this title or in which programs receiving Federal financial assistance under this title are operated. If the Secretary disapproves the committee's recommendations, he shall state the reasons therefor. The Secretary shall also distribute such standards and urge their adoption by States and local governments. The Secretary may from time to time modify the uniform code for facilities in accordance with procedures set forth in this section.

"PART C—FACILITIES FOR CHILD CARE PROGRAMS

"MORTGAGE INSURANCE FOR CHILD CARE FACILITIES

"SEC. 541. (a) It is the purpose of this part to assist and encourage the provision of urgently needed facilities for child care programs.

"(b) For the purpose of this part—

"(1) The term 'child care facility' means a facility of a public or private profit or nonprofit agency or organization, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the provision of child care programs.

"(2) The terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary of Health, Education, and Welfare is authorized to insure any mortgage which covers a new child care facility, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary of Health, Education, and Welfare, who demonstrate ability successfully to operate one or more child care programs. The Secretary of Health, Education, and Welfare may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary of Health, Education, and Welfare may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Child Care Facility Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary of Health, Education, and Welfare under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the child care facility, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary of Health, Education, and Welfare shall prescribe, and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary of Health, Education, and Welfare finds necessary to meet the mortgage market.

"(4) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has determined that the child care facility to be covered by the mortgage will be in compliance with the Uniform Minimum Code for Facilities approved by the Secretary pursuant to section 585.

"(5) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has also received from the prime sponsor designated under part A of this title comments concerning the consistency of the facility with the prime sponsor's comprehensive child care plan.

"(6) In the plans for such child care facility, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(e) The Secretary of Health, Education, and Welfare shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Child Care Facility Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary of Health, Education, and Welfare is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The Secretary of Health, Education, and Welfare may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(g)(1) The Secretary of Health, Education, and Welfare shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

"(2) The provisions of subsections (e), (g), (h), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Child Care Facility Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare.

"(h)(1) There is hereby created a Child Care Facility Insurance Fund which shall be used by the Secretary of Health, Education, and Welfare as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Child Care Facility Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Child Care Facility Insurance Fund.

"(3) Moneys in the Child Care Facility Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary of Health, Education, and Welfare may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Child Care Facility Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary of Health, Education, and Welfare in connection therewith, and all earnings on the assets of the Fund, shall be credited to the Child Care Facility Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such Fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such Fund.

"(5) In order to provide initial capital for the Child Care Facility Insurance Fund and to assure the soundness of such Fund thereafter, there are authorized to be appropriated such sums as may be necessary, in addition to any amounts which may be made available by the Secretary pursuant to section 503(a)(2) of this title.

"PART D—FEDERAL GOVERNMENT CHILD CARE PROGRAMS

"PROGRAM AUTHORIZED

"SEC. 546. (a) The Secretary is authorized to provide financial assistance for the purpose of establishing and operating child care programs (including the lease, rental, or construction of necessary facilities and the acquisition of necessary equipment and supplies) for the children of employees of the Federal Government.

"(b) Employees of any Federal agency or group of such agencies employing eighty or more working parents of young children who desire to participate in a program under this part shall—

"(1) designate or create for the purpose an agency child care committee, the membership of which shall be broadly representative of the working parents employed by the agency or agencies; and

"(2) submit to the Secretary a plan approved by the official in charge of such agency or agencies, which—

"(A) provides that the child care program shall be administered under the direction of the agency child care committee;

"(B) provides that the program will meet the Federal Standards for Child Care Services promulgated under section 534 of this title;

"(C) provides a means of determining priority of eligibility among parents wishing to use the services of the program;

"(D) provides for a scale of fees based upon the parents financial status; and

“(E) provides for competent management, staffing, and facilities for such program.

“(c) The Secretary shall not make payments under this section unless he has received approval of the plan from the official in charge of the agency whose employees will be served by the child care program.

“PAYMENTS

“Sec. 547. (a) Not more than 80 per centum of the total cost of child care programs under this part shall be paid from Federal funds available under this title.

“(B) The share of the total cost not available under paragraph (a) may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, fees collected from parents, or union or employer contributions.

“(c) If, in any fiscal year, a program under this part provides non-Federal contributions exceeding its requirements under this section, such excess may be used to meet the requirmeents for such contributions for the succeeding fiscal year.

“(d) In providing financial assistance under this part, the Secretary shall, insofar as feasible, distribute funds among the States according to the same ratio as the number of Federal employees in that State bears to the total number of Federal employees in the United States.

“Part E—Research and Demonstration

“DECLARATION OF PURPOSES

“Sec. 551. The purposes of this part are to focus national research efforts to attain a fuller understanding of the processes of child development and the effect of organized programs upon these processes; to develop effective programs for research into child development; and to assure that the result of research and development efforts are reflected in the conduct of programs affecting children through the improvement and expansion of child care and related programs.

“RESEARCH AND DEMONSTRATION PROJECTS

“Sec. 552. (a) In order to further the purposes of this part, the Secretary shall carry out a program of research and demonstation projects, which shall include but not be limited to—

“(1) research to determine the nature of child development processes and the impact of various influences upon them, to develop techniques to measure and evaluate child development, to develop standards to evaluate professional and paraprofessional child care personnel, and to determine how child care and related programs conducted in either home or institutional setting affect child development processes;

“(2) research to test alternative methods of providing child care and related services, and to develop and test innovative approaches to achieve maximum development of children;

“(3) evaluation of research findings and the development of these findings and the effective application thereof;

"(4) dissemination and applicatoin of research and development efforts and demonstration projects to child care and related programs and early childhood education, using regional demonstration centers and advisory services where feasible;

"(5) production of informational systems and other resources necessary to support the activities authorized by this part; and

"(6) integration of national child development research efforts into a focused national research program, including the coordination of research and development conducted by other agencies, organizations, and individuals.

"(b) In order to carry out the program provided for in subsection (a), the Secretary is authorized to make grants to or enter into contracts or other arrangements with public or private nonprofit agencies (including other Government agencies), organizations, and institutions, and to enter into contracts with private agencies, organizations, institutions, and individuals.

"COORDINATION OF RESEARCH

"SEC. 533. (a) Funds available to any Federal department or agency for the purposes stated in section 551 or the activities stated in section 552(a) shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part, to the Secretary for such use as is consistent with the purposes for which such funds were provided, and the funds so transferred shall be expendable by the Secretary for the purposes for which the transfer was made.

"(b) The Secretary shall coordinate, through the Office of Child Development established under section 572 of this title, all child development research, training, and development efforts conducted within the Department of Health, Education, and Welfare and, to the extent feasible, by other agencies, organizations, and individuals.

"(c) A Child Care and Development Research Council, consisting of a representative of the Office of Child Development established under section 572 of this title (who shall serve as chairman), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Office of Economic Opportunity, the Department of Labor, and other appropriate agencies, shall meet at least annually and at such more frequent times as they may deem necessary, in order to assure coordination of child care and development and related activities under their respective jurisdictions and to carry out the provisions of this part so as to assure—

"(1) maximum utilization of available resources through the prevention of duplication of activities;

"(2) a division of labor, insofar as is compatible with the purposes of each of the agencies or authorities specified in this paragraph, to assure maximum progress toward the achievement of the purposes of this part; and

"(3) recommendation of priorities for federally funded research and development activities related to the purposes of this part and those stated in section 501.

"ANNUAL REPORT

"SEC. 554. The Secretary shall make an annual report to Congress summarizing his activities and accomplishments during the preceding year under this part; the grants, contracts, or other arrangements entered into during the preceding year under this part, and making such recommendations as he may deem appropriate.

"PART F—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 571. As used in this title, the term—

"(1) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(2) 'State' means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

"(3) 'child care programs' means programs provided on a full-day or part-day basis which provide the educational, nutritional, social, medical, psychological, and physical services needed for children to attain their full potential;

"(4) 'children' means individuals who have not attained the age of fifteen;

"(5) 'economically disadvantaged children' means any children of a family having an annual income below the lower living standard budget (adjusted for regional and metropolitan, urban, and rural differences, and family size), as determined annually by the Bureau of Labor Statistics of the Department of Labor;

"(6) 'handicapped children' includes mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children or children with specific learning disabilities who by reason thereof require special education and related services;

"(7) 'program' includes, but is not limited to, any program, service, or activity, which is conducted full or part time, in child care facilities, in schools, in neighborhood centers, or in homes, and includes child care services for children whose parents are working or receiving education or training;

"(8) 'parent' means any person who has day-to-day parental responsibility for any child;

"(9) 'single parent' means any person who has sole day-to-day responsibility for any child;

"(11) 'minority group' includes, but is not limited to, persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, or Oriental, and, as determined by the Secretary, children who are from environments in which a dominant language is other than English and who, as a result of language barriers, do not have an equal educational opportunity, and, for the purpose of this paragraph, Spanish-surnamed Americans include persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry;

"(12) 'bilingual' includes, but is not limited to, persons who are Spanish surnamed, American Indian, Oriental, Portuguese, or others who have learned during childhood to speak the language of the minority group of which they are members and who, as a result of language barriers, do not have an equal educational opportunity;

"(13) 'local educational agency' means any such agency as defined in section 801(f) of the Elementary and Secondary Education Act of 1965;

"(14) 'institution of higher education' means any such institution as defined in section 1201(a) of the Higher Education Act of 1965.

"OFFICE OF CHILD DEVELOPMENT

"SEC. 572. The Secretary shall take all necessary action to coordinate child care programs under his jurisdiction. To this end, he shall establish within the Department of Health, Education, and Welfare an Office of Child Development, administered by a Director, which shall be the principal agency of the Department for the administration of this title and for the coordination of programs and other activities relating to child care.

"NUTRITION SERVICES

"SEC. 573. In accordance with the purposes of this title, the Secretary of Health, Education, and Welfare shall establish procedures to assure that adequate nutrition services will be provided in child care programs under this title. Such services shall make use of the Special Food Service Program for children as defined under section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, to the fullest extent appropriate and consistent with the provisions of such Acts.

"SPECIAL PROVISIONS

"SEC. 574. (a) The Secretary may make such grants, contracts, or agreements, establish such procedures, policies, rules, and regulations, and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this title, as he may deem necessary to carry out the provisions of this title, including necessary adjustments in payments on account of overpayments or underpayments. Subject to the provisions of section 575, the Secretary may also withhold funds otherwise payable under this title in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this title or any term or condition of assistance under this title.

"(b) The Secretary shall prescribe regulations to assure that programs under this title have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

"(c) The Secretary shall not provide financial assistance for any program, service, or activity under this title unless he determines that persons employed thereunder, other than persons who serve without compensation, shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 (29 U.S.C 206), if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

"(d) The Secretary shall not provide financial assistance for any program under this title which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be engaged, in any way or to any extent, in the conduct of political activities in contravention of section 603 of this Act.

"(e) The Secretary shall not provide financial assistance for any program under this title unless he determines that no funds will be used for and no person will be employed under the program on the construction of so much of any facility as is for use for sectarian instruction or as a place for religious worship or on the operation or maintenance of any facility other than in connection with the use of such facility for child care programs.

"(f) A child participating in a program assisted under this title shall not be required to undergo medical or psychological examination (except to the extent related to learning ability), immunization (except to the extent necessary to protect the public from epidemics of contagious diseases), or treatment, if his parent or guardian objects thereto in writing on religious grounds.

"WITHHOLDING OF GRANTS

"SEC. 575. Whenever the Secretary, after reasonable notice and opportunity for a hearing for any prime sponsor or project applicant, finds—

"(1) that there has been a failure to comply substantially with any requirement set forth in the plan of any such prime sponsor approved under section 516; or

"(2) that there has been a failure to comply substantially with any requirement set forth in the application of any such project applicant approved pursuant to section 517; or

"(3) that in the operation of any program or project carried out by any such prime sponsor or project applicant under this title there is a failure to comply substantially with any applicable provision of this title or regulation promulgated thereunder;

the Secretary shall notify such prime sponsor or project applicant of his findings and that no further payments may be made to such sponsor or applicant under this title (or in his discretion that any such prime sponsor shall not make further payments under this title to specified project applicants affected by the failure) until he is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Secretary may authorize the continuation of payments with respect to any project assisted under this title which is being carried out pursuant to such plan or application and which is not involved in the non-compliance.

"ADVANCE FUNDING

"SEC. 576. (a) For the purpose of affording adequate notice of funding availiable under this title, such funding for grants, contracts, or other payments under this title is authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which they are available for obligation.

"(b) In order to effect a transition to the advance funding method of timing appropriation action, subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the current fiscal year and one for the succeeding fiscal year.

"PUBLIC INFORMATION

"SEC. 577. Applications for designation as prime sponsors, comprehensive child care plans, project aplications, and all written material pertaining thereto shall be made readily available without charge to the public by the prime sponsor, the applicant, and the Secretary.

"FEDERAL CONTROL NOT AUTHORIZED

"SEC. 578. No department, agency, officer, or employee of the United States shall, under authority of this title, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

"NONDISCRIMINATION PROVISIONS

"SEC. 579. (a) The Secretary shall not provide financial assistance for any program under this title unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

"(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this title. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if on the ground of sex that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program or activity receiving assistance under this title.

"LIMITATION ON RESEARCH AND EXPERIMENTATION

"SEC. 580. The Secretary is directed to establish appropriate procedures to ensure that no child shall be the subject of any research or experimentation under this title other than routine testing and normal program evaluation unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

"PARENTAL RESPONSIBILITY

"SEC. 581. Nothing in this title shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, or physical development of their children. Nor shall any section of this title be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law."

(b) In order to achieve, to the greatest degree feasible, the consolidation and coordination of programs providing child care services, while assuring continuity of existing programs during transition to the programs authorized under this title, the Economic Opportunity Act of 1964 is amended, effective July 1, 1974, as follows:

(1) Section 222(a)(1) of such Act is repealed.

(2) Section 162(b) of such Act is amended by inserting after "day care for children" the following: "(wherever feasible, through child care programs under title V of this Act)".

(3) Section 123(a)(6) of such Act is amended by inserting after "day care for children" the following: "(wherever feasible, through child care programs under title V of this Act)".

(4) Section 312(b)(1) of such Act is amended by inserting after "day care for children" the following: "(wherever feasible, through child care programs under title V of this Act)".

(c) The Director of the Office of Economic Opportunity and the Secretary of Health, Education, and Welfare shall take all necessary steps to coordinate programs under their jurisdictions which provide day care, with a view to establishing, insofar as possible, a common set of program standards and regulations, and mechanisms for coordination at the State and local levels.

(d)(1) Section 203(j)(1) of the Federal Property and Administrative Services Act of 1949 is amended by striking out "or civil defense" and inserting in lieu thereof "civil defense, or the operation of child care facilities".

(2) Section 203(j)(3) of such Act is amended—

(A) by striking out, in the first sentence, "or public health" and inserting in lieu thereof "public health, or the operation of child care facilities",

(B) by inserting after "handicapped," in clause (A) and clause (B) of the first sentence the following: "child care facilities,", and

(C) by inserting after "public health purposes" in the second sentence the following: ", or for the operation of child care facilities,".

(3) Section 203(j) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) The term 'child care facility' means any such facility as defined in 541(b)(1) of the Economic Opportunity Act of 1964."

[From the Congressional Record—Senate, February 24, 1972]

INTRODUCTORY REMARKS OF HON. JACOB K. JAVITS OF NEW YORK, ON S. 3228

Mr. JAVITS. Mr. President, I introduce a bill designed to provide increased and more adequate Headstart, child development, and related family services. This is a joint proposal made by myself as ranking minority member of the Committee on Labor and Public Welfare and by a number of other Republican members of that committee: Senator ROBERT TAFT, Jr., Republican of Ohio, the ranking minority member of both the Subcommittee on Employment, Manpower and Poverty and the Subcommittee on Children and Youth, and Senators RICHARD S. SCHWEIKER, Republican of Pennsylvania, BOB PACKWOOD, Republican of Oregon, and ROBERT T. STAFFORD, Republican of Vermont. We are joined by the following cosponsors: Mr. CASE, Mr. BOGGS, Mr. BROOKE, Mr. SAXBE, Mr. MATHIAS, Mr. HATFIELD, Mr. PERCY, Mr. COOK, and Mr. STEVENS.

Mr. President, in vetoing S. 2007, the economic opportunity amendments of 1971, which included the child development title, President Nixon stated:

"We cannot and will not ignore the challenge to do more for America's children in their all-important early years. But our response to this challenge must be a measured, evolutionary, painstakingly considered one, consciously designed to cement the family in its rightful position as the keystone of our civilization.

"Further, in returning this legislation to the Congress, I do not for a moment overlook the fact that there are some needs to be served, and served now."

We share that commitment and agree that more needs to be done now. Accordingly, rather than let that matter drop, we have designed a new bill, which we hope will enjoy the support of the administration and our colleagues and become law at the earliest opportunity.

The bill authorizes $2.9 billion over a 3-year period for comprehensive child development and family service programs, compared with $2.1 billion over a 2-year period under the child development title of the vetoed bill. It also:

Emphasizes that acceptance of services provided under the act are to be entirely voluntary, as opposed to the more general child development emphasis under the vetoed bill;

Contains eligibility, fee and other provisions, extending coverage to children of all families, but with greater funds set aside for programs such as Headstart conducted for children from low-income families;

Provides for a variety of quality services, with an emphasis on free choice by parents;

Establishes a prime sponsorship "delivery system" with a more significant role for State governments; as a general matter, localities would be eligible if they have 50,000 population, compared with 5,000 under the vetoed bill; and

Places greater emphasis on child care centers as family centers, the provision of services to other family members and the involvement of parents in the programs.

There appears to be agreement between the administration and the Congress on, to use the President's words of February 19, 1969:

". . . a national commitment to providing all American children an opportunity for a healthful and stimulating development during the first five years of life."

In his veto message of December 10, 1971, the President cited this objective as "laudable," but stated that he considered that purpose "overshadowed" in the vetoed bill by:

"Fiscal irresponsibility, administrative unworkability and family weakening implications of the system it envisions."

Whatever the validity of that judgment—and a number of us have disagreed with it—we have sought to design a proposal to meet the President's major objections, while maintaining our basic commitment to the principles which prompted many of us to support the vetoed bill.

NEED FOR SERVICES FOR CHILDREN

Mr. President, our basic commitment is to provide each American child with the opportunity to reach his or her full potential and is not to provide all American children with child development services per se.

In those terms, by any measure, much needs to be done now:

There are more than 2.5 million children under age 6 in families with incomes below the poverty level—approximately $4,000 annually for a family of four—whose mothers do not work.

There are 1 million children under the age of 6 in the poverty category where mothers work.

There are approximately 2 million children between the ages of 6 and 14 in families below the poverty level where mothers work.

In the $4,000 to $7,000 income range—the "near poor"—there are more than 1 million preschool children and 1 million school-age children in families with mothers in the working force.

Mr. President, beyond this there are needs in other socioeconomic groups that must be recognized. Overall, in 1971, 43 percent of the Nation's mothers worked outside the home. In 1948, the figure was only 18 percent. One in every three mothers with children under 6 is working today. In 1948, the figure was 1 in 8.

These mothers work to improve the economic well-being of their families, and many work out of absolute necessity: for example, in 1971, of all mothers of children under 6—in every income category—1.3 million were single parents bringing up children without a husband.

Most distressing is the continued existence of "latchkey" children—very young children left alone without any supervision at all. A 1965 study by the Department of Labor's Women's Bureau estimated that there were at least 18,000 such children in the Nation.

To meet these needs, we have at the present time approximately 378,000 positions funded under Headstart and 700,000 other licensed child care opportunities in the entire Nation.

The Family Assistance Act—H.R. 1—would add 875,000 positions in each year—for a total of 2 million opportunities, against the fact that there are 7.5 million children—almost four times as many in the poor and near-poor categories alone who need this opportunity.

FISCAL RESPONSIBILITY

Mr. President, quite clearly, billions of dollars in Federal resources could well be spent on our children for supplementary educational and child care opportunities.

But the question is not now much is needed as an optimum, but what may now be added for these purposes, in an effective and beneficial way.

Our bill authorizes $1.2 billion for fiscal year 1974 and $1.6 billion for fiscal year 1975, with an additional authorization of $100 million for fiscal year 1973, for planning, training and technical assistance to prepare for the startup year; the vetoed title authorized $2 billion for fiscal year 1973, with sums for startup in the previous year. This rate of growth is consistent with the best judgment of witnesses before the committee.

ELIGIBILITY, FEES AND PRIORITIES

Mr. President, the bill contains no upward limit on eligibility, but does provide for channeling of resources through the following provisions relating to fees and priorities:

First, as under the vetoed bill, no fee may be charged for any family having an income below $4,320, based upon a family of four—the family assistance cutoff point.

The Secretary is authorized to establish a free schedule above that point subject to the following limitations:

That in no event may the charge exceed 10 percent of family income between $4,320 and $5,900 and 15 percent of incremental income between $5,900 and $6,960, the "lower living standard" determined by the Bureau of Labor Statistics for a family of four:

That the schedule must be designed to permit enrollment or continued participation as family income increases in accordance with ability to pay:

That fees below those prescribed by the Secretary may be permitted, upon application by any prime sponsor, when the Secretary determines it necessary to reflect actual living expenses in the prime sponsorship area, to meet special needs of economically disadvantaged persons, or to insure to meet special needs of economically disadvantaged persons, or to insure consistency with existing fee schedules for similar services under law.

The first provision was contained in the vetoed bill, having been worked out at great length with the administration; the later two provisions are new provisions to take into account the desirability of insuring mobility generally and meeting special circumstances that may pertain in various localities.

Second, with respect to the application of funds, the bill provides a reservation of $600 million for Headstart and other programs for children of low-income families, compared with the $500 million under the vetoed bill. As the President said in his veto message:

"Headstart continues to perform both valuable day care and early education services, and an important experimentation and demonstration, function which identifies and paves the way for wider application of successful techniques."

The bill—like the vetoed bill—provides also, as a general requirement that at least 65 percent of the funds on the local level—after the Headstart reservation—would be used for children and families below the Bureau of Labor Statistics "lower living standard."

This group will not have any appreciable tax break from the Revenue Act of 1971. That act, which provides a tax deduction up to $200 a month for child care out of the home, will not provide significant benefits below the $6,900 bracket.

We have included also specific reservations—along the lines of the vetoed bill—for children of migrants, Indians, bilingual children, and for the handicapped.

A VARIETY OF QUALITY SERVICES

In his veto message President Nixon identified two existing needs: "day care to enable mothers, particularly at the lowest income levels, to take full-time jobs" and secondly, "the protection of children from actual suffering."

Mr. President, these are legitimate categories in a statistical sense, but I consider it important to comment on the President's characterization.

I believe that it is very dangerous to put an uneven reference—particularly in the low-income range—on employment needs of mothers over the developmental needs of children.

We must, if we are ever to break the syndrome of poverty, view child care as a means of providing services to children whose mothers have determined it necessary to work; not just as a means of permitting or requiring that mothers work. Seen in this way, as a general matter, the needs of a child of a working mother will be no less nor more than the needs of any child for developmental services.

It is up to the parents in each case to decide what kind of care will enable their child to achieve his or her full potential; the proper role of the Federal Government in that context then is to insure that quality care is available to protect children from inadequate or injurious services—not to single out this or that economic or social group for particular kind of care.

The bill we introduce is based upon the concept of freedom of choice and provides for a wide range of opportunities—including family group services and round-the-clock services, as well as programs in centers, so that parents who wish services for their children may meet individual needs.

ADMINISTRATIVE WORKABILITY

Mr. President, in his veto message the President voiced particular concern over the so-called delivery system of the vetoed legislation, particularly in respect to the number of potential prime sponsors and what he termed an "insignificant" role for State governments. The vetoed bill extended eligibility to any unit or combination, having a population of 5,000 or more persons.

We have sought to meet those concerns in this legislation.

Under our bill, the following would be eligible for prime sponsorship: any State; any unit of general local government or combination of 50,000 or more; any unit of general local government, regardless of population, if it can demonstrate a particular demand for services and availability of resources in the area: any Indian tribal organization and any public or nonprofit agency, under certain circumstances.

Each sponsor would be required to demonstrate administrative capability, establish a child development and family service council, and meet other requirements, essentially as contained in the vetoed bill.

If all units having a population of 50,000 or more were approved, then the Secretary would deal directly with approximately 1,047 governmental prime sponsors, compared with the estimated 7,000 under the vetoed bill; even adding the other eligible sponsors this is considerably below the 1,700 grantees under the Headstart program which has been a successful Federal program.

The bill makes it clear that in the event that a unit of general local government or combination of such units meets the requirements, then its application is to be approved over that of a State for the same area; where localities submit applications for the same area, the Secretary is directed to approve that which he determines may provide more effectively comprehensive child development and family services under the act.

Mr. President, with these changes, parents and children in areas which would not be eligible for direct prime sponsorship—particularly the economically disadvantaged—are entitled to the same degree of autonomy and protection in their relationships to the States as larger units of government will have in relation to the Federal Government.

Accordingly, the bill we introduce today:

Requires any State sponsor to establish "local family service areas" in appropriate areas under its administration and to establish a local child development and family services council, responsible for approval of the program statement—operational plan—with respect to programs conducted in the area.

Directs the Secretary to reserve an allocation for each such area from sums allocated to the States, based upon fixed criteria.

Provides a clear and direct recourse for any project applicant in such area to the Secretary, alleging that its project was denied by the State by reason of discrimination, on the basis of race, sex, or national origin.

The bill also contains the direct funding and bypass provisions of the vetoed bill, which we have strengthened by authorizing the Secretary to utilize up to 10 percent for model programs through nonprofit agencies, compared with the 5 percent under the vetoed bill.

Mr. President, administrative feasibility is enhanced also by requiring each State to submit a State annual child service, plan setting forth any agreements it has reached with local prime sponsors for coordination, mutual exchange programs, technical assistance, and other functions. The Secretary is authorized to utilize up to 5 percent of a State's apportionment for this purpose.

Moreover, the role of the responsibilities of the prime sponsors vis-a-vis the various councils, have been clarified, and the requirements for program statements and for project applications have been greatly simplified.

Finally, we have sought to link preschool programs with those conducted in the schools under a special section for cooperative programs to be run by educational agencies; 5 percent of the funds under title I are set aside for that purpose.

FAMILY-STRENGTHENING ASPECTS

As I noted, the President viewed the vetoed bill as having family-weakening implications. I disagreed with that judgment; in fact, for the most part the history of existing programs evidences that these efforts strengthen the family by strengthening its members.

Nevertheless, I think it is important that we make clear the intent of this bill. We have done so in a number of ways:

The statement of purposes makes clear that parents—and not the Federal Government—are responsible for the development of children and that the services provided are to strengthen family life and are only for children of parents who have either determined it necessary or desirable to engage in employment, training, or education or to seek assistance in providing educational and related developmental services.

Child development services are to be supplemented by services to other members of the family including maternal health services, which the President mentioned; referral services for prenatal, medical, and nutritional care, to reduce infant and maternal mortality and other handicapping conditions; as well as programs to prepare adolescents for family responsibilities, so that child development centers can be family centers.

A number of provisions require the full involvement of parents in directing, conducting, and participating in programs and an emphasis on the employment of parents as paraprofessionals and professionals.

The child development and family services councils, on the State local, and area level are each structured to give parents—who would constitute one-half of the council—a principal voice in the conduct of programs.

The bill contains each of the provisions, inserted by my New York colleague, Senator BUCKLEY, in the vetoed bill, making it clear that participation in the program is in all respects—and without exception—up to the parent or guardian.

I ask unanimous consent that those provisions be printed at this point in the RECORD.

There being no objection, the provisions were ordered to be printed in the RECORD, as follows:

"SPECIAL PROHIBITIONS

"SEC. 217. (a) Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law.

"(b) The Secretary is directed to establish appropriate procedures to ensure that no child shall be the subject of any research or experimentation under this Act unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

"(c) A child participating in a program assisted under this Act shall not be required to undergo medical or psychological examination, immunization (except to the extent necessary to protect the public from epidemics of contagious diseases), or treatment if his parent or guardian objects thereto in writing on religious grounds . . .".

Mr. JAVITS. Mr. President, we have introduced this legislation as a separate bill because it would provide child development opportunities to a range of socioeconomic groups and because we do not wish to delay further the vital extension of the Economic Opportunity Act, S. 3010, introduced by Senator NELSON and myself, now before the Committee on Labor and Public Welfare.

I am committed to meaningful legislation on child development and shall take every necessary step to have it considered concurrently, although separately with the extension.

It is hoped that an accommodation may be reached on legislation, for the vital interests of the poor and the many others who may benefit from this legislation, will not be well served if we have only another confrontation.

Calendar No. 760

92D CONGRESS
2D SESSION

S. 3617

[Report No. 92–793]

IN THE SENATE OF THE UNITED STATES

MAY 16, 1972

Mr. NELSON introduced the following bill; which was read twice and placed on the calendar

MAY 16, 1972

Reported by Mr. NELSON, without amendment

A BILL

To strengthen and expand the Headstart program, with priority to the economically disadvantaged, to amend the Economic Opportunity Act of 1964, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Headstart, Child Development, and Family Services Act of 1972".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) child development programs must build upon the role of the family as the primary and the most fundamental influence on the development of children, and must be provided only to children whose parents or legal guardians request them;

II

(2) in exercising their moral and legal rights and responsibilities in respect to their children and families, many mothers, and single parents have determined it necessary or desirable to seek child development services for their children in order to engage in employment, training, or education on a full- or part-time basis during hours when their children would ordinarily be in the home or otherwise to enhance the well-being of their families; and

(3) while there have been increased developmental services for children of working mothers and single parents and while Headstart and similar programs have provided supplemental educational and other services for children, such services have not been made available to families to the extent that parents consider it necessary to contribute to the full development of their children and to improve the economic well-being of their families, with the result that there are millions of children living in poverty who do not receive adequate educational and other services, and there are millions of other children whose mothers are working full or part time without adequate child development arrangements for their children.

(b) It is the purpose of this Act to provide a variety of quality child development and family services in order to assist parents who request such services in providing their children with an opportunity for a healthful and stimulating development, with priority to those preschool children and families with the greatest economic or social needs, in a manner designed to strengthen family life and to insure decisionmaking at the community level through a partnership of parents, State and local governments and the Federal Government, building upon the experience and success of Headstart and other existing programs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) For the purpose of carrying out this Act, there is authorized to be appropriated $1,200,000,000 for the fiscal year ending June 30, 1974, and $1,600,000,000 for the fiscal year ending June 30, 1975. Any amounts appropriated for each fiscal year which are not obligated at the end of such fiscal year may be obligated in the succeeding fiscal year.

(b) For the purpose of providing training, technical assistance, planning, and such other activities (including activities authorized under section 106) as the Secretary deems necessary and appropriate to prepare for the implementation of this Act, there is authorized to be appropriated $150,000,000 for the fiscal year ending June 30, 1973.

(c) From the amounts appropriated pursuant to subsection (a) the Secretary shall make funds available in the following manner—

(1) $500,000,000 shall first be used for the purpose of providing assistance under title I of this Act for child development programs focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects;

(2) not to exceed 15 per centum of the remaining amounts so appropriated shall be used for the purpose of carrying out titles II and III of this Act, as the Secretary deems appropriate, but not to exceed 5 per centum of such remaining amounts shall be used for the purpose of carrying out title III of this Act; and

(3) the remainder of such amounts shall be used for the purpose of carrying out title I of this Act.

(d) (1) For the purpose of affording adequate notice of funding available under this Act such funding for grants, contracts, or other payments under this Act is authorized to be included in the appropriations Act for the fiscal year preceding the fiscal year for which it shall be available for obligation.

(2) In order to effect a transition to the advance funding method of timing appropriation action, paragraph (1) of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year

(whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

DEFINITIONS

SEC. 4. As used in this Act, the term—

(1) "Secretary" means the Secretary of Health, Education, and Welfare;

(2) "State" means the several States and the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands;

(3) "child development and family service programs" means programs on a full-day or part-day basis which provide the educational, nutritional, health, and other services needed to provide the opportunity for children to attain their full potential, including services to other family members related to the full educational and other development of children;

(4) "children" means individuals who have not attained the age of fifteen;

(5) "economically disadvantaged children" means any children of a family having an annual income below the lower living standard budget (adjusted for regional and metropolitan, urban, and rural differences, and fam-

ily size), as determined annually by the Bureau of Labor Statistics of the Department of Labor;

(6) "handicapped children" includes mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, physically handicapped, crippled, or other health impaired children or children with specific learning or other disabilities who by reason thereof require special education and related services;

(7) "program" includes any program, service, or activity, which is conducted full or part time, in special facilities, in schools, in neighborhood centers, or in homes.

(8) "parent" means any person who has primary day-to-day responsibility for any child;

(9) "single parent" means any person who has sole day-to-day responsibility for any child;

(10) "working mother" means any mother who needs child development and family services under this Act in order to undertake or continue full- or part-time work, training, or education outside her home;

(11) "minority group" includes, but is not limited to, persons who are Negro, American Indian, Spanish-surnamed American, Portuguese, or Oriental, and, as determined by the Secretary, children who are from environments in which a dominant language is other

than English and who, as a result of language barriers, may need special assistance, and, for the purpose of this paragraph, "Spanish-surnamed Americans" include, but is not limited to, persons of Mexican, Puerto Rican, Cuban, or Spanish origin or ancestry.

(12) "bilingual" includes, but is not limited to, persons who are Spanish-surnamed Americans, American Indian, Oriental, Portuguese, or others who have learned during childhood to speak the language of the minority group of which they are members and who, as a result of language barriers, may need special assistance;

(13) "local educational agency" means any such agency as defined in section 801 (f) of the Elementary and Secondary Education Act of 1965;

(14) "institution of higher education" means any such institution as defined in section 1201 (a) of the Higher Education Act of 1965;

(15) "low-income family" means a family whose annual income is less than the "poverty level" as defined by the Director of the Office of Economic Opportunity;

(16) "unit of general local government" means any political subdivision of a State having general governmental powers.

TITLE I—HEADSTART, CHILD DEVELOPMENT, AND FAMILY SERVICES PROGRAMS

PROGRAMS ASSISTED

SEC. 101. (a) The Secretary shall provide financial assistance to prime sponsors and to other public and private agencies and organizations pursuant to plans, program statements, and applications approved in accordance with the provisions of this title for the purpose of carrying out child development and family service programs for children and their families where parents or legal guardians request them, including—

(1) preschool programs providing part-day services and activities designed to prepare children for school in the years before they enter the elementary school grades;

(2) in-home services and consultation to assist families with children of preschool age in providing for the healthy growth and the development of each child's full potential;

(3) preschool programs providing full-day services and activities for children when there is no parent at home to provide care;

(4) child development programs providing services and activities (including recreation and tutoring programs) for school-age children at times when school is

not in session and there is no parent at home to provide care.

(b) Financial assistance under this title may be used for—

(1) other comprehensive child development services and programs designed to meet individual needs of children, to assist children in attaining their full potential and to prepare them for school, including but not limited to—

(A) programs designed (i) to meet the special needs of minority group, Indian, and migrant children with particular emphasis on the needs of children from bilingual families for the development of skills in English and the other language spoken in the home, and (ii) to meet the needs of all children to understand the history and cultural backgrounds of ethnic groups, including minority groups, which belong to their communities;

(B) diagnosis, identification, and treatment of visual, hearing, speech, medical, dental, nutritional, and other physicial, mental, psychological, and emotional barriers to full participation in programs.

(C) special activities designed to identify and ameliorate identified physical, mental, and emotional handicaps and special learning disabilities as an incorporated part of programs conducted under this title and, where necessary because of the severity of such handicaps, establishing, maintaining, and operating separate child development and family services programs designed primarily to meet the needs of handicapped children, including emotionally disturbed children;

(D) special food and nutritional services; and

(E) emergency child development programs for children of parents who are sick, incapacitated, or for other urgent reasons, temporarily unable to provide adequate care for their children.

(2) other programs designed to support and enhance family life and contribute to the full development of children, including but not limited to the following—

(A) (i) prenatal and other medical services to expectant mothers who cannot afford such services, designed to help reduce malnutrition, infant and maternal mortality, and the incidence of mental retardation and other handicapping conditions, and (ii) postpartum and other medical services to recent mothers;

(B) referral services for family planning, and purchase of such services when not otherwise available;

(C) programs including home services to prepare adolescents and other family members for family responsibilities, including assistance to public secondary schools and nonprofit organizations to implement courses for adolescents and provide opportunities for the participation of adolescents in child development and family service programs authorized under this title;

(3) preservice and inservice education and other training designed to prepare professional and paraprofessional personnel and parents and other family members to provide child development and family services;

(4) dissemination of information in the functional language of those to be served to assure that parents are well informed of child development and family service programs available to them and may become directly involved in such programs;

(5) programs designed to extend comprehensive prekindergarten early childhood education techniques and gains (particularly parent participation) into kindergarten and early primary grades (one through three) in cooperation with local educational agencies;

(6) parent and child centers, homestart, follow-through and other supplementary services and activities.

(7) rental, lease or lease-purchase, mortgage amortization payments, remodeling, renovation, alteration. acquisition of necessary equipment and supplies, and to the extent authorized in section 109, construction or acquisition of facilities, including mobile facilities;

(8) allowances for transportation and other costs with respect to children in cases where such costs are necessary to and directly related to such child's participation in programs under this title;

(9) examination and inspection of child development and family service facilities for lead poisoning and other hazards and the correction of such hazards in the facilities;

(10) staff and other administrative expenses of child and family service councils, local program councils, and project policy committees established and operated in accordance with the provisions of this title; and

(11) such other services and activities as the Secretary deems appropriate in furtherance of the purposes of this title.

STATE AND LOCAL PRIME SPONSORS

Sec. 102. (a) In accordance with the provisions of this section, the Secretary may designate as a prime sponsor for the purpose of entering into arrangements directly with the Secretary to carry out programs under this title within a State the following:

(1) any State;

(2) any unit of general local government or any combination of such units having a total population of twenty-five thousand or more persons on the basis of the most satisfactory current data;

(3) any unit of general local government or any combination of such units, without regard to population, subject to a demonstration by the applicant that it has (A) it has the capability to carry out adequately a comprehensive child development and family service program, and (B) there is a particular demand for services and availability of resources within the area to be served;

(4) any Indian tribal organization;

(5) any other public or private nonprofit agency meeting the requirements of subsection (h) of this section.

(b) Such applicants under this subsection may be designated if the Secretary determines that the applicant has the capability of effectively carrying out comprehensive programs under this Act and has submitted a satisfactory prime sponsorship plan which—

(1) describes the prime sponsorship area to be served;

(2) sets forth satisfactory provisions for establishing and maintaining a child and family services council which meets the requirements of section 103,

(3) provides that the prime sponsor shall be responsible for developing and preparing for each fiscal year a program statement in accordance with section 104 and any modification thereof and for selecting or establishing an agency or agencies to administer and coordinate child development and family service programs in the prime sponsorship area;

(4) sets forth arrangements under which the Child and Family Service Council will be entitled to approve program statements, basic goals, policies, and procedures and the selection or establishment and annual renewal of any agency or agencies under paragraph (3) of this section and will be responsible for annual and ongoing evaluation of child development and family service programs conducted in the prime sponsorship area according to criteria established by the Secretary;

(5) provides assurances that staff and other administrative expenses for the Child and Family Service Councils and Local Program Councils and Project Policy Committees will not exceed 5 per centum of the total cost

of child development programs administered by the prime sponsors unless such per centum limitation is increased to give special consideration to initial cost in the first operational year, in accordance with regulations which the Secretary shall prescribe;

(6) provides assurances that the prime sponsor will provide, in an effective, coordinated, and comprehensive manner (through the administering agency or agencies established or selected pursuant to this subsection), directly or by contract or arrangement with State, local, or other public agencies or private nonprofit agencies or organizations, where available—

(A) child-related family, social, and rehabilitative services;

(B) coordination with educational agencies and providers of educational services;

(C) health (including family planning) and mental health services;

(D) nutrition services;

(E) training of professional and paraprofessional personnel;

(F) where necessary full-time administrative personnel to conduct the program;

(7) sets forth procedures to insure that all project applicants for financial assistance in the area to be

served are given due consideration, in accordance with regulations promulgated by the Secretary;

(8) in the case of an applicant for prime sponsorship which is a State applying for designation as prime sponsor for geographical areas within the State which are not otherwise served by a prime sponsor, in addition to the provisions otherwise required to be included in its prime sponsorship plan in accordance with this section, sets forth adequate provisions—

(A) for designating local family service areas each of which shall serve a geographical area covered by (i) a unit of general local government, or (ii) units of general local government serving a total population of not more than fifty thousand persons except that the Secretary may, upon application by such prime sponsors, permit designation of one or more local family service areas serving a population of not more than one hundred thousand persons where necessary in order to carry out most effectively the purposes and provisions of this Act;

(B) for establishing and maintaining with respect to each local family service area a local program council composed so that (i) not less than half of the members of each such council shall be parent members who shall be chosen initially by parents who are recipients of federally assisted day care services, with equitable and appropriate consideration to parents selected by the parent members of Headstart policy committees where they exist, and at the earliest practicable time by the parent members of project policy committees, and (ii) the remainder shall be public members broadly representative of the general public, as described in section 103 (a) (2) (A), appointed by the chief executive officers or the governing bodies, as appropriate, of the units of general local government within the local program area;

(C) to assure that the program statement to be submitted by the State which affects each local family service area is developed and prepared with full participation and approval of the appropriate local program council; and

(D) to assure that contracts for the operation of programs through public or private agencies or organizations shall be entered into only if previously approved by the local program council for the appropriate local family service area.

(c) Any local program council may appeal directly to the Secretary whenever such council alleges that with respect to its portion of the program statement the State has failed to comply with the provisions of the program statement or the provisions of this Act.

(d) (1) The Secretary shall approve a prime sponsorship plan submitted by a State if he determines that the plan so submitted meets the requirements of this section and sets forth adequate arrangements for serving all geographical areas under its jurisdiction except for areas with respect to which local prime sponsors are or will be otherwise designated pursuant to this section.

(2) Notwithstanding subsections (e), (f), and (g) of this section, the Secretary is authorized, in accordance with this paragraph, to approve Statewide prime sponsorship plans which he determines set forth satisfactory arrangements for carrying out demonstration projects providing for the State to be designated as prime sponsor for the entire State and which meet each of the requirements of subsections (b) and (c) of this section. The Secretary shall designate as Statewide prime sponsors under this paragraph not sure than five States which have demonstrated capability and leadership in the field of child development and which are located in various regions of the Nation and have a variety of characteristics, including differing population sizes and urban, metropolitan, and rural area and industrial and work force composition. A State shall be designated as a Statewide

prime sponsor under this paragraph only if the Secretary determines that—

(A) the population of such State does not exceed 5 per centum of the total population of all of the States in the Nation;

(B) a reasonable opportunity has been provided to each unit of general local government or combination thereof or Indian tribal organization within such State eligible under paragraph (2) or (4) of subsection (a) of this section to submit comments to the State and to the Secretary; and

(C) the prime sponsorship plan submitted by such State takes into account, to the extent appropriate, the comments submitted in accordance with clause (B) of this paragraph.

(e) (1) The Secretary shall approve a prime sponsorship plan submitted by a unit of general local government which is (A) a city eligible under subsection (a) (2) of this section, or (B) a county or other unit of general local government eligible under subsection (a) (2) of this section (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of this paragraph), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development and family services programs in the area covered by such unit of general local government.

(2) In the event that the area under the jurisdiction of a unit of general local government described in clause (A) or (B) of paragraph (1) of this subsection includes any common geographical area with that covered by another such unit of general local government, the Secretary shall designate to serve such area the unit of general local government which he determines has the capability of more effectively carrying out the purposes of this title with respect to such area and which has submitted a plan which meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development and family services programs in such area.

(f) The Secretary shall approve a prime sponsorship plan submitted by a combination of units of general local government eligible under subsection (a) (2) of this section (excluding the number of such persons included within the population of any city which is designated as a prime sponsor under clause (A) of subsection (e) (1)), if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development and family services programs in the area covered by the combination of such units of general local government.

(g) The Secretary shall approve a prime sponsorship plan submitted by an Indian tribal organization if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes adequate provisions for carrying out comprehensive child development and family services programs in the area to be served.

(h) The Secretary may approve a prime sponsorship plan submitted by a unit or combination of units of general local government or by a public or private nonprofit agency, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, employer organization, labor union, or employee or labor-management organization, if he determines that the plan so submitted meets the requirements of subsection (a) of this section and includes provisions setting forth—

(1) arrangements for serving children in a community or neighborhood or other urban or rural area possessing a commonality of interest (A) with respect to which there is no prime sponsorship designation in

effect, or (B) with respect to any portion of an area where a designated prime sponsor is found not to be satisfactorily implementing child development and family services programs which adequately meet the purposes of this part, or (C) for making available special services, in accordance with criteria established by the Secretary, designed to meet the needs of economically disadvantaged or preschool children or children of working mothers or single parents; or

(2) arrangements for providing comprehensive child development and family services programs on a year-round basis to children of migrant agricultural workers and their families; or

(3) arrangements for carrying out model programs especially designed to be responsive to the needs of economically disadvantaged, minority group, bilingual, or preschool children or to demonstrate the feasibility of conducting child development and family services programs on the basis of a neighborhood or other area possessing a commonality of interest in any locality.

(i) The Governor shall be given not less than thirty nor more than sixty days to review applications for prime sponsorship designation submitted by any applicant other than the State, to offer recommendations to the applicant, and to submit comments to the Secretary.

(j) A prime sponsorship plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time in which to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(k) (1) If any party is dissatisfied with the Secretary's final action under subsection (j) with respect to the disapproval of its plan submitted under this section or the withdrawal of its prime sponsorship designation, such party may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such party is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary

to take further evidence. The Secretary may make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(l) When any unit or combination of units of general government or other prime sponsor is maintaining a pattern or practice of discrimination against minority group persons or against economically disadvantaged children, the Secretary shall approve the application for prime sponsorship of an alternative unit of government or public or private nonprofit agency or organization in the area which will equitably serve minority group and economically disadvantaged children.

(m) In the event that a State, a unit or combination of units of general local government, or an Indian tribal organization has not submitted a program statement under this section or the Secretary has not approved a plan so submitted, or where the Secretary has not designated or has withdrawn designation of prime sponsorship under this section, or where the needs of migrants, pre-school-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served, the Secretary may directly fund projects, including those in rural areas without regard to population, that he deems necessary in order to serve the children of the particular area.

CHILD AND FAMILY SERVICES COUNCILS

SEC. 103. (a) Each prime sponsor designated under section 102 shall establish and maintain a Child and Family Services Council composed of not less than ten members as follows—

(1) not less than half the members of such Council shall be parents of children served in programs under this Act chosen in accordance with the provisions of paragraph (1) of subsection (b) of this section;

(2) the remaining members shall be appointed by the chief executive officer or the governing body, whichever is appropriate, of the prime sponsor to represent the public, but (A) not less than half of such members shall be persons who are broadly representative of the general public, including government agencies, public and private agencies and organizations in such fields as education, economic opportunity, health, welfare, em-

ployment and training, business or financial organizations or institutions, labor unions, and employers, and (B) the remaining members, the number of which shall be either equal to or one less than the number of members appointed under clause (A), shall be persons who are particularly skilled by virtue of training or experience in child development, child health, child welfare, education or other child and family services, except that the Secretary may waive the requirement of this clause (B) to the extent that he determines, in accordance with regulations which he shall prescribe, that such persons are not available to the area to be served; and

(3) in establishing a Child and Family Services Council under this section, the prime sponsor shall give due consideration to the membership of day care coordinating bodies then existing in the area to be served.

At least one-third of the total membership of the Child and Family Services Council shall be persons who are economically disadvantaged. Each Council shall select its own chairman.

(b) In accordance with procedures which the Secretary shall establish pursuant to regulations, each prime sponsor designated under section 102 shall provide, with respect to the Child and Family Services Councils established and maintained by such prime sponsor, that—

(1) the parent members described in paragraph (1) of subsection (a) of this section shall be chosen as follows:

(A) in the case of Councils established by prime sponsors which are States, by the parent members of local program councils established under section 102 (b) (8); and

(B) in the case of Councils established by prime sponsors other than States (and by States with respect to local program councils) initially by parents who are recipients of federally assisted day care services, with equitable and appropriate consideration to parents selected by the parent members of Headstart policy committees and, at the earliest practicable time by the parent members of project policy committees;

(2) the terms of office and any other policies and procedures of an organizational nature, including nomination and election procedures, are appropriate in accordance with the purposes of this Act;

(3) such Council shall be entitled to approve program statements, basic goals, policies, and procedures and the selection or establishment and annual renewal of an administering agency or agencies, and will be responsible for annual and ongoing evaluation of child

development and family service programs according to criteria established by the Secretary; and

(4) such Council shall, upon its own initiative or upon request of a project applicant or any other party in interest, conduct public hearings before action is taken by the prime sponsor upon applications for financial assistance submitted by project applicants under this title.

PROGRAM STATEMENTS

SEC. 104. (a) Financial assistance under this title may be provided by the Secretary for any fiscal year to a prime sponsor designated under section 102 only pursuant to a program statement which is submitted by such prime sponsor directly to and approved by the Secretary in accordance with the provisions of this title. Any such program statement shall set forth a comprehensive program for providing child development and family services in the prime sponsorship area which—

(1) provides that programs or services under this title shall be provided only for children whose parents request them;

(2) identifies child development and family service needs and goals within the area to be served and describes the purposes for which the financial assistance will be used;

(3) meets the needs of children and families in the prime sponsorship area, to the extent that available funds can be reasonably expected to have an effective impact, with priority to children who have not attained six years of age;

(4) (A) provides that funds received under section 3 (c) (1) of this title will be used for child development programs and services focused upon young children from low-income families, giving priority to continued financial assistance for Headstart projects by reserving for such projects from such funds in any fiscal year an amount at least equal to the aggregate amount received by public or private agencies and organizations within the prime sponsorship area for programs during the fiscal year ending June 30, 1973, under section 222 (a) (1) of the Economic Opportunity Act of 1964, and (B) provides that programs receiving funds under section 3 (c) (3) will give priority to providing services for economically disadvantaged children by reserving not less than 65 per centum of such funds for the purpose of serving economically disadvantaged children.

(5) gives priority thereafter to providing child development and family services programs and services to children of working mothers and single parents not covered under paragraph (4);

(6) provides for direct parent participation in the conduct, overall direction, and evaluation of programs;

(7) provides procedures for the approval of project applications submitted in accordance with section 105;

(8) provides in the case of a prime sponsor which is a State that project applications shall be approved by the prime sponsor only if previously approved by the local program council for the appropriate local family service area;

(9) (A) provides, in the case of a prime sponsor located within or adjacent to a metropolitan area, for coordination with other prime sponsors located within such metropolitan area, and arrangements for cooperative funding where appropriate, and particularly for such coordination where appropriate to meet the needs for child development and family services of children of parents working or participating in training or otherwise occupied during the day within a prime sponsorship area other than that in which they reside;

(B) provides for coordination of other federally funded child development and family service, child care, and related programs (including those relating to manpower training and employment) with the programs assisted under this Act, as required pursuant to regulations established by the Secretary under Section 311 (b) of this Act.

(C) assures that procedures and mechanisms for coordination have been developed in cooperation with agencies and organizations carrying out preschool programs and administrators of local educational agencies and nonpublic schools, at the local level, to provide continuity between programs for preschool and elementary school children and to coordinate programs conducted under this title and programs conducted pursuant to section 222 (a) (2) of the Economic Opportunity Act of 1964 and the Elementary and Secondary Education Act of 1965; and

(D) establishes arrangements in the area served for the coordination of programs conducted under the auspices of or with the support of business or financial institutions or organizations, industry, labor, employee and labor-management organizations, and other community groups;

(10) provides that, to the extent feasible, each program within the prime sponsorship area shall include children from a range of socioeconomic backgrounds;

(11) provides comprehensive services (A) to meet the special needs of minority group children and children of migrant agricultural workers with particular

emphasis on the needs of children from bilingual families for the development of skills in English and in the other language spoken in the home, and (B) to meet the needs of all children to understand the history and cultural background of minority groups which belong to the communities;

(12) provides equitably for the child development and family services needs of children from each minority group and significant segment of the economically disadvantaged residing within the area served;

(13) includes a career development plan for paraprofessional and professional training, education, and advancement on a career ladder;

(14) provides that, insofar as possible, persons residing in communities being served by such projects will be employed therein, including in-home and part-time employment and opportunities for training in programs under title II of this Act, with special consideration for career opportunities for low-income persons;

(15) provides for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and other interested persons in the community are fully informed of the activities of the prime sponsor, Child and Family

Services Council, local program councils, and of delegate agencies;

(16) sets forth provisions describing any arrangements for the delegation, under the supervision of the Child and Family Services Council, to public or private agencies, institutions, or organizations, of responsibilities for the delivery of programs, services, and activities for which financial assistance is provided under this Act or for planning or evaluation services to be made available with respect to programs under this Act;

(17) contains plans for regularly conducting surveys and analyses of needs for child development and family services programs in the prime sponsorship area and for submitting to the Secretary a comprehensive annual report and evaluation in such form and containing such information as the Secretary shall require by regulation;

(18) provides assurances satisfactory to the Secretary that the non-Federal share requirements will be met;

(19) provides for such fiscal control and funding accounting procedures as the Secretary may prescribe to assure proper disbursement of and accounting for Federal funds paid to the prime sponsor;

(20) provides that special consideration will be

given to project applications submitted by public and private nonprofit agencies and organizations with ongoing programs;

(21) provides procedures for the Council to select, and establish policy with respect to tenure and status of, its employees.

(b) No program statement or modification thereof submitted by a prime sponsor under this section shall be approved by the Secretary unless he determines, in accordance with regulations which the Secretary shall prescribe, that—

(1) each community action agency or single-purpose Headstart agency in the area to be served previously responsible for the administration of programs under this part or under section 222(a)(1) of the Economic Opportunity Act of 1964 has had an opportunity to submit comments to the prime sponsor and to the Secretary;

(2) the local educational agency for the area to be served and other appropriate educational and training agencies and institutions have had an opportunity to submit comments to the prime sponsor and to the Secretary; and

(3) in the case of a plan submitted by a prime sponsor other than the State, the State Child and Fam-

ily Services Council has had an opportunity to submit comments to the prime sponsor and to the Secretary.

(c) A program statement submitted under this section may be disapproved or a prior approval withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided (1) written notice of intention to disapprove such plan, including a statement of the reasons therefor, (2) a reasonable time to submit corrective amendments to such plan or undertake other necessary corrective action, and (3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(d) In order to contribute to the effective administration of this title, the Secretary shall establish appropriate procedures to permit prime sponsors to submit jointly a single program statement for the areas served by such prime sponsors.

PROJECT APPLICATIONS

SEC. 105. (a) Financial assistance under this title may be provided to a project applicant for any fiscal year only pursuant to a project application which is submitted by a public or private agency and which provides—

(1) that funds will be provided for carrying out any child development and family services program under this title only to a qualified public or private agency or

organization, including but not limited to a community action agency, single-purpose Headstart agency, public or private educational agency or institution, community development corporation, parent cooperative, organization of migrant agricultural workers, organization of Indians, private organization interested in child development, employer or business organization, labor union, or employee or labor-management organization;

(2) for establishing and maintaining project policy committees composed of not less than ten members as follows—

(A) not less than half of the members of each such committee shall be parents of children served by such project, and

(B) the remaining members of each such committee shall consist of (i) persons who are representative of the community and who are approved by the parent members, and (ii) one person who is particularly skilled by virtue of training or experience in child development, child health, child welfare, or other child care services, except that the Secretary may waive the requirement of this clause (ii) where he determines, in accordance with regulations which he shall prescribe, that such person is not available to the area to be served;

(3) for direct participation of such project policy committees in the development and preparation of project applications under this title;

(4) that adequate provision will be made for training and other administrative expenses of such project policy committees (including necessary expenses to enable low-income members to participate in council or committee meetings);

(5) that project policy committees shall have responsibility for approving basic goals, policies, actions, and procedures for the project applicant, and for planning, overall conduct, personnel, budgeting, location of centers and facilities, and direction and evaluation of projects;

(6) that programs assisted under this title will provide for such comprehensive health, nutritional, education, social, and other services, as are necessary for the full development of each participating child;

(7) that adequate provision will be made for the regular and frequent dissemination of information in the functional language of those to be served, to assure that parents and interested persons are fully informed of project activities;

(8) that with respect to child development and

family services provided by programs assisted under this title—

(A) no charge will be made with respect to any child who is a member of any family with an annual income equal to or less than $4,320 with appropriate adjustments in the case of families having more than two children, except to the extent that payment will be made by a third party (including a public agency); and

(B) such charges as the Secretary may provide will be made with respect to any child of any other family, in accordance with an appropriate fee schedule established by him, designed to permit enrollment or continued participation in the program as family income increases and based upon the ability of the family to pay, which payment may be made in whole or in part by a third party in behalf of such family, except that any such charges with respect to any family with an income of less than the lower living standard budget (as determined in accordance with paragraph (5) of section 4) shall not exceed the sum of (i) an amount equal to 10 per centum of any family income which exceeds the highest income level at which no charges would be made with respect to children of such family under subparagraph (A) but does not exceed 85 per centum of such lower living standard budget, and (ii) an amount equal to 15 per centum of any family income which exceeds 85 per centum of such lower living standard budget but does not exceed 100 per centum of such lower living standard budget, and, if more than two children from the same family are participating, additional charges may be made not to exceed the sum of the amounts calculated in accordance with clauses (i) and (ii) with respect to each such additional child or, the actual cost of services, whichever is less, except that charges less than those prescribed by the Secretary pursuant to this paragraph (B) may be made with respect to any program, where the Secretary, upon application of any prime sponsor, determines that such lower charges are necessary in order to take into account actual living expenses within the prime sponsorship area, to meet the special needs of economically disadvantaged persons within such area, or to insure consistency with fee schedules for similar services under other laws;

(9) that children will in no case be excluded from the programs operated pursuant to this title because of their participation in nonpublic preschool or school pro-

grams or because of the intention of their parents to enroll them in nonpublic schools when they attain school age;

(10) that programs will, to the extent appropriate, employ paraprofessional aides and volunteers, especially parents, older children, students, older persons, and persons preparing for careers in child development programs;

(11) that no person will be denied employment in any program solely on the ground that such person fails to meet State or local teacher certification standards;

(12) that there are assurances satisfactory to the Secretary that the non-Federal share requirements will be met; and

(13) that provision will be made for such fiscal control and fund accounting procedures as the Secretary shall prescribe to assure proper disbursement of and accounting for Federal funds.

(b) A project application may be approved by a prime sponsor upon its determination that such application meets the requirements of this section and that the programs provided for therein will otherwise further the objectives and satisfy the appropriate provisions of the prime sponsor's program statement as approved pursuant to section 104.

(c) A project application from a public or private nonprofit agency which is also a prime sponsor under section 102 shall be submitted directly to the Secretary, together with the program statement.

(d) A prime sponsor may disapprove a project application only if it provides to the project applicant a written statement of the reasons therefor. Such project applicant may submit an appeal to the Secretary requesting the direct approval of such application or modification thereof. Any such appeal shall include such comments, including the project applicant's response to the prime sponsor's statement of reasons for disapproval, as the project applicant may deem appropriate or as the Secretary may require.

(e) A project application submitted directly to the Secretary may be approved by the Secretary upon his determination that it meets the requirements of subsection (a) of this section.

ANNUAL FAMILY SERVICE PLANS

SEC. 106. (a) In addition to any program statement submitted with respect to fiscal years beginning after June 30, 1973, any State desiring to receive additional financial assistance pursuant to section 108 (a) (3) for its own use, or for grants to or contracts with prime sponsors within such States, for activities authorized in this title, shall submit an annual family service plan.

(b) Such plan shall be approved by the Secretary upon a determination that it sets forth adequate agreements between State and local prime sponsors for maximum coordination of child development and family services within the State and for full utilization of resources within the State, including, but not limited to agreements with respect to—

(1) the determination of general child development and family service goals and needs throughout the State;

(2) comprehensive planning and coordination of child development and family service programs to be conducted within the State;

(3) arrangements under which State agencies shall assist in the establishment of Child and Family Services Councils and in strengthening the capability of such Councils to participate effectively in programs under this Act where requested by local prime sponsors;

(4) arrangements under which State agencies shall assist in providing health, educational, family planning, education, nutrition, and other components of child development and family service programs and facilities and training related thereto where requested by local prime sponsors in the development and implementation of program statements submitted by local prime sponsors;

(5) arrangements for conducting programs for the

exchange of personnel involved in child development and family service programs within the State;

(6) procedures for assessing State and local licensing codes and teaching standards as they relate to child development and family service programs within the State; and

(7) procedures for disseminating model program information and the results of research on programs for children and families.

SPECIAL COOPERATIVE PROGRAMS WITH EDUCATIONAL INSTITUTIONS AND OTHER PROJECT SPONSORS

SEC. 107. (a) The Secretary shall provide assistance made available for the purposes of this section pursuant to clause (e) of section 108(a)(1) of this title to educational agencies and institutions to be used by such agencies and institutions in cooperation with other project applicants pursuant to program statements for the purpose of planning, carrying out, and evaluating cooperative programs and activities designed to provide continuity between preschool programs, afterschool programs and educational and related programs conducted by such agencies and institutions, including those conducted under the Elementary and Secondary Education Act of 1965, such as joint design of programs, provision for interchange and progression of children between programs, cooperative use of professional, technical and administrative personnel and development of sequential programs to be conducted by several component agencies or organizations.

(b) Nothing in this section shall be construed to limit the opportunity of any agency or institution receiving assistance under this section from otherwise receiving assistance under this title.

ALLOCATION OF FUNDS

SEC. 108. (a) (1) From the amounts available for carrying out comprehensive child development and family services programs under this title, (after making the reservations provided for in clauses (1) and (2) of section 3 (c) of this Act), the Secretary shall reserve the following:

(A) not less than that proportion of the total amount available for carrying out this title as is equivalent to that proportion which the total number of children of migrant agricultural workers bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children of migrant agricultural workers on an equitable basis, and to the extent practicable in proportion to the relative numbers of children served in each such program;

(B) not less than that proportion of the total amount available for carrying out this title as is equivalent to that proportion which the total number of children in Indian tribal organizations bears to the total number of economically disadvantaged children in the United States, which shall be apportioned among programs serving children in Indian tribal organizations on an equitable basis, and to the extent practicable in proportion to the relative numbers of children in each such program;

(C) not less than 10 per centum of the total amount available for carrying out this title, which shall be made available for the purposes of section 101(b)(1)(C) of this title (relating to special activities for handicapped children);

(D) not less than 5 per centum nor more than 10 per centum of the total amount available for carrying out this title, which shall be made available under section 102(h)(3) of this title (relating to model programs); and

(E) not less than 5 per centum of the total amount available for carrying out this title, which shall be made available under section 107 of this title (special cooperative programs with educational institutions).

(2) The Secretary shall allocate the remainder of the amounts available for this title (except for funds

made available under paragraphs (1) and (3) of section 3(c) of this Act) among the States, and within the States among local areas, so as to provide, to the extent practicable, for the geographical distribution of such remainder in such a manner that—

(A) 50 per centum thereof shall be apportioned among the States, and within each State among local areas, in proportion to the relative number of economically disadvantaged children in each State and local area, respectively, excluding those children who are eligible for services under clauses (A) and (B) of paragraph (1) of this subsection.

(B) 25 per centum thereof shall be apportioned among the States, and within each State among local areas, in proportion to the relative number of children through age five in each State and local area, respectively; and

(C) 25 per centum thereof shall be apportioned among the States, and within each State among local areas, in proportion to the relative number of children of working mothers and single parents in each State and local area, respectively.

For the purposes of clauses (A) and (B) of this paragraph, there shall be excluded those children who are counted under clauses (A) and (B) of subsection (a) (1) of this section.

(3) Not to exceed 10 per centum of the total funds allotted for use within a State pursuant to paragraph (2) may be made available to enable States to carry out the provisions of section 106 of this title.

(b) Any portion of any apportionment under subsection (a) for a fiscal year which the Secretary determines will not be required, for the period for which such apportionment is available, for carrying out programs under this title shall be available for reapportionment from time to time, on such dates during such period as the Secretary shall fix, to other States or local areas on an equitable basis, taking into account the original apportionments to the States and local areas. Any amount reapportioned to a State or local area under this subsection during a year shall be deemed part of its apportionment under subsection (a) for such year.

(c) In determining the numbers of children for purposes of allocating and apportioning funds under this section, the Secretary shall use the most recent satisfactory data available to him.

(d) As soon as practicable after funds are appropriated to carry out this title for any fiscal year, the Secretary shall publish in the Federal Register the allocations and apportionments required by this section.

ADDITIONAL CONDITIONS FOR PROGRAMS INCLUDING CONSTRUCTION OR ACQUISITION

SEC. 109. (a) Applications for financial assistance for projects including construction or acquisition may be approved only if the Secretary determines that construction or acquisition of such facilities is essential to the provision of adequate child care services, and that rental, lease or lease-purchase, remodeling, or renovation of adequate facilities is not practicable.

(b) If any facility assisted under this title shall cease to be used for the purposes for which it was constructed, the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds unless the Secretary determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

(c) All laborers and mechanics employed by contractors or subcontractors on all construction, remodeling, renovation, or alteration projects assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(d) In the case of loans for construction, the Secretary shall prescribe the interest rate and the period within which such loan shall be repaid, but such interest rates shall not be less than 3 per centum per annum and the period within which such loan is to be repaid shall not be more than twenty-five years.

(e) The Federal assistance for construction may be in the form of grants or loans, provided that total Federal funds to be paid to other than public or private nonprofit agencies and organizations will not exceed 50 per centum of the construction cost, and will be in the form of loans. Repayment of loans shall, to the extent required by the Secretary, be returned to the prime sponsor from whose financial assistance the loan was made, or used for additional loans or grants under this title. Not more than 15 per centum of the total financial assistance provided to a prime sponsor under this title shall be used for construction of facilities, with no more than 7½ per centum of such assistance usable for grants for construction.

USE OF PUBLIC FACILITIES FOR CHILD DEVELOPMENT PROGRAMS

SEC. 110. (a) The Secretary, after consultation with other appropriate officials of the Federal Government, shall within eighteen months after enactment of this Act report to the Congress with respect to the extent to which facilities owned or leased by Federal departments, agencies, and independent authorities could be made available to public and private nonprofit agencies and organizations, through appropriate arrangements, for use as facilities for child care programs under this title during times and periods which not utilized fully for their usual purposes, together with his recommendations (including recommendations for changes in legislation) or proposed actions for such use.

(b) The Secretary may require, as a condition to the receipt of assistance under this title, that any prime sponsor under this title agree to conduct a review and provide the Secretary with a report as to the extent to which facilities owned or leased by such prime sponsor, or by other agencies in the prime sponsorship area, could be made available, through appropriate arrangements, for use as facilities for child development and family services programs under this title during times and periods when not utilized fully for their usual purposes, together with the prime sponsor's proposed actions for such use.

PAYMENTS

SEC. 111. (a) In accordance with this section, the Secretary shall pay from the applicable allocation or apportionment under section 108 the Federal share of the costs of programs, services, and activities, in accordance with plans, program statements, or applications which have been approved as provided in this title. In making such payment to any prime sponsor, the Secretary shall include in such costs an amount for staff and other administrative expenses for the Child and Family Services Councils, local program councils, and project policy committees, consistent with limitations contained in this title.

(b) (1) Except as provided in paragraphs (2) and (3) of this subsection, the Secretary shall pay an amount not in excess of 90 per centum of the cost of carrying out programs, services, and activities under this title. The Secretary may, in accordance with such regulations as he shall prescribe, approve assistance in excess of such percentage if he determines that such action is required to provide adequately for the child development and family services needs of economically disadvantaged children.

(2) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child development and family services programs for children of migrant agricultural workers and their families under this title.

(3) The Secretary shall pay an amount equal to 100 per centum of the costs of providing child development and family services programs for children in Indian tribal organizations under this title.

(c) The non-Federal share of the costs of programs assisted under this title may be provided through public or private funds and may be in the form of cash, goods, services, or facilities (or portions thereof that are used for program purposes), reasonably evaluated, or union or employer contributions. Fees collected for services shall not be used for the non-Federal share, but shall be used by the project applicant for the same purposes as payments under this section, except that, in the case of projects assisted under a program statement, such fees shall be turned over to the appropriate prime sponsor for distribution in the same manner as the prime sponsor's allocation under section 108 (a) (2).

(d) If, with respect to any fiscal year, a prime sponsor or project applicant provides non-Federal contributions or any program, service, or activity exceeding its requirements, such excess may be applied toward meeting the requirements for such contributions for the subsequent fiscal year under this title.

(e) No State or unit of general local government shall reduce its expenditures for child care programs by reason of assistance under this title.

TITLE II—TRAINING, TECHNICAL ASSISTANCE, PLANNING, AND EVALUATION

PRESERVICE AND INSERVICE TRAINING

SEC. 201. The Secretary is authorized to make payments to provide financial assistance to enable individuals employed or preparing for employment in child development and family services programs assisted under this Act, including volunteers, to participate in programs of preservice or inservice training for professional and nonprofessional personnel, to be conducted by any agency carrying out a child development and family services program, or any institution of higher education, including a community college, or by any combination thereof.

TECHNICAL ASSISTANCE AND PLANNING

SEC. 202. The Secretary shall, directly or through grant or contract, make technical assistance available to prime sponsors and to project applicants participating or seeking to participate in programs assisted under this Act on a continuing basis, to assist them in planning, developing, and carrying out child development and family services programs.

TITLE III—SUPPORTIVE SERVICES AND SPECIAL ACTIVITIES

SPECIAL RESPONSIBILITIES OF THE SECRETARY

SEC. 301. (a) The Secretary is authorized to make an evaluation of Federal involvement in activities and services for children and families by contract with any public or private agencies, organizations, and individuals. Prime sponsors and project applicants assisted under this Act and departments and agencies of the Federal Government shall, upon request by the Secretary, make available, consistent with other provisions of law, such information as the Secretary determines is necessary for purposes of making the evaluation required under this subsection. The Secretary shall reserve for the purposes of this subsection not less than 1 per centum, and may reserve for such purposes not more than 2 per centum, of the amounts available under this Act for any fiscal year.

(b) The Secretary is authorized to carry out a program of research and demonstration projects, which shall include but not be limited to—

(1) research to determine the nature of child development processes and the impact of various influences upon them, to develop techniques to measure and evaluate child development, to develop standards to evaluate professional and paraprofessional child

development personnel, and to determine how child development and family services programs conducted in either home or institutional settings affect child development processes;

(2) research to test preschool programs emphasizing reading and reading readiness;

(3) preventive medicine and techniques and technology, including multiphasic screening and testing, to improve the early diagnosis and treatment of diseases and learning disabilities of preschool children;

(4) research to test alternative methods of providing child development and family services, and to develop and test innovative approaches to achieve maximum development of children;

(5) evaluation of research findings and the development of these findings and the effective application thereof;

(6) dissemination and application of research and development efforts and demonstration projects to child development and family services and related programs and early childhood education, using regional demonstration centers and advisory services where feasible;

(7) production of informational systems and other resources necessary to support the activities authorized by this Act;

(8) integration of national child development research efforts into a focused national research program, including the coordination of research and development conducted by other agencies, organizations, and individuals.

(c) In carrying out this section, the Secretary shall give priority to providing financial assistance for child development and family services programs carried out by multicounty local development districts established in the Appalachian Regional Development Act of 1965, as amended, or title V of the Public Works and Economic Development Act of 1965, as amended.

(d) In order to carry out the program provided for in this section, the Secretary is authorized to make grants to or enter into contracts or other arrangements with public or private nonprofit agencies (including other Government agencies), organizations, and institutions, and to enter into contracts with private agencies, organizations, institutions, and individuals.

(e) (1) Funds available to any Federal department or agency for the purposes of this title shall be available for transfer, with the approval of the head of the department or agency involved, in whole or in part, to the Secretary for such use as is consistent with the purposes for which such funds were provided, and the funds so transferred shall be expendable by the Secretary for the purposes for which the transfer was made.

(2) The Secretary shall coordinate, through the Office of Child Development established under section 305 of this title, all child development research, training, and development efforts conducted within the Department of Health, Education, and Welfare and, to the extent feasible, by other agencies, organizations, and individuals.

(f) The Secretary is authorized to provide financial assistance for the purpose of establishing and operating child care programs (including the lease, rental, or construction of necessary facilities and the acquisition of necessary equipment and supplies) subject to the fullest extent practicable to the requirements of section 105, for the children of employees of the Federal Government;

(g) The Secretary shall—

(1) conduct special demonstration experimental and model programs, which demonstration, experimental and model programs shall be subject to the fullest extent practicable to each of the requirements with respect to project applications under section 105;

(2) establish procedures to assure that adequate nutrition services will be provided in programs conducted under this Act, which services shall make use of the special food service program for children as defined under

section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, to the fullest extent appropriate and consistent with the provisions of such Acts; and

(3) report to Congress not later than September 1, 1975, summarizing his activities and accomplishments under this section during the preceding fiscal year and the grants, contracts, or other arrangements entered into and making such recommendations (including recommendations for legislation) as he may deem appropriate.

FEDERAL STANDARDS FOR CHILD DEVELOPMENT AND FAMILY SERVICES

SEC. 302. (a) Within six months after the enactment of this Act, the Secretary shall, after consultation with other Federal agencies and with the Committee established pursuant to subsection (c) of this section, promulgate a common set of program standards which shall be applicable to all programs providing child development and family services under this Act, to be known as the Federal Standards for Child Development and Family Services. If the Secretary disapproves the Committee's recommendations, he shall state the reasons therefor.

(b) Such standards shall be consistent with the Federal Interagency Day Care Requirements as approved by the Department of Health, Education, and Welfare, the Office of Economic Opportunity, and the Department of Labor on September 23, 1968.

(c) The Secretary shall, within sixty days after enactment of this Act, appoint a Special Committee on Federal Standards for Child Development and Family Services, which shall include parents of children enrolled in Headstart, child care and family services programs, representatives of public and private agencies and organizations administering such programs, specialists, and others interested in services for children. Not less than one-half of the membership of the Committee shall consist of parents of children participating in programs conducted under this Act and section 222 (a) (1) of the Economic Opportunity Act of 1964 and title IV of the Social Security Act. Such Committee shall participate in the development of Federal Standards for Child Development and Family Services and modifications thereof as provided in subsection (a).

(d) In no event shall any prime sponsor or program or project receiving assistance under this Act reduce the quality of services provided under this Act below the standards established in this section and section 302, in order to reduce expenditures per child or to extend services to larger numbers of children.

DEVELOPMENT OF UNIFORM MINIMUM CODE FOR FACILITIES

SEC. 303. (a) The Secretary shall, within sixty days after enactment of this Act, appoint a special committee to develop a uniform minimum code for facilities, to be used in licensing child development and family services facilities receiving assistance under this Act or in which programs receiving assistance under this Act are operated. Such standards shall deal principally with those matters essential to the health, safety, and physical comfort of the children, their suitability for projected uses, and the relationship of such matters to the Federal Standards for Child Development and Family Services under section 302.

(b) The special committee appointed under this section shall include parents of children participating in Headstart, child care and other programs and representatives of State and local licensing agencies, public health officials, fire prevention officials, the construction industry and unions, public and private agencies or organizations administering such programs, and national agencies or organizations interested in services to children and families. Not less than one-half ot the membership of the committee shall consist of parents of children enrolled in programs conducted under title I and section 222(a)(1) of the Economic Opportunity Act of 1964 and title IV of the Social Security Act.

(c) Within one year after its appointment, the special committee shall complete a proposed uniform minimum code for facilities and shall hold public hearings on the proposed code prior to submitting its final recommendation to the Secretary for his approval.

(d) After considering the recommendations submitted by the special committee in accordance with subsection (c), the Secretary shall promulgate standards which shall be applicable to all facilities receiving Federal financial assistance under this Act or in which programs receiving Federal financial assistance under this Act are operated. If the Secretary disapproves the committee's recommendations, he shall state the reasons therefor. The Secretary shall also distribute such standards and urge their adoption by States and local governments. The Secretary may from time to time modify the uniform code for facilities in accordance with procedures set forth in this section.

MORTGAGE INSURANCE FOR CHILD DEVELOPMENT FACILITIES

SEC. 304. (a) It is the purpose of this section to assist and encourage the provision of facilities for child development and family services.

(b) For the purpose of this section—

(1) The term "child development facility" means a facility of a public or private profit or nonprofit agency

or organization, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the provision of child development and family service programs.

(2) The terms "mortgage", "mortgagor", "mortgagee", "maturity date", and "State" shall have the meanings respectively set forth in section 207 of the National Housing Act.

(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

(d) In order to carry out the purpose of this section, the Secretary of Health, Education, and Welfare is authorized to insure any mortgage which covers a new child development facility, including equipment to be used in its operation, subject to the following conditions:

(1) The mortgage shall be executed by a mortgagor, approved by the Secretary of Health, Education, and Welfare, which demonstrates ability successfully to operate one or

more child development and family service programs. The Secretary of Health, Education, and Welfare may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary of Health, Education, and Welfare may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Child Development Facility Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary of Health, Education, and Welfare under the insurance.

(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the child development facility, when the proposed improvements are completed and the equipment is installed.

(3) The mortgage shall—

(A) provide for complete amortization by periodic payments within such term as the Secretary of Health, Education, and Welfare shall prescribe, and

(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary of Health, Education, and Welfare finds necessary to meet the mortgage market.

(4) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has determined that the child development facility to be covered by the mortgage will be in compliance with the Uniform Minimum Code for Facilities approved by the Secretary pursuant to section 303.

(5) The Secretary of Health, Education, and Welfare shall not insure any mortgage under this section unless he has also received from the prime sponsor designated under title I of this Act a certificate that the facility is consistent with and will not hinder the execution of the prime sponsor's plan.

(c) The Secretary of Health, Education, and Welfare shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Child Development Facility Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge herein provided for, the Secretary of Health, Education, and Welfare is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during construction; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

(f) The Secretary of Health, Education, and Welfare may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

(g) (1) The Secretary of Health, Education, and Welfare shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Child Development Facility Insurance Fund, and all references in such provisions to "Secretary" shall be deemed to refer to the Secretary of Health, Education, and Welfare.

(h) (1) There is hereby created a Child Development Facility Insurance Fund which shall be used by the Secretary of Health, Education, and Welfare as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Child Development Facility Insurance Fund.

(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Child Development Facility Insurance Fund.

(3) Moneys in the Child Development Facility Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund,

or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary of Health, Education, and Welfare may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Child Development Facility Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary of Health, Education, and Welfare in connection therewith, and all earnings on the assets of the fund, shall be credited to the Child Development Facility Insurance Fund. The principal of, and interest paid and to be paid on, debentures which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired, in connection with mortgages insured under this section, shall be charged to such fund.

(5) There are authorized to be appropriated to provide

initial capital for the Child Development Facility Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

OFFICE OF CHILD DEVELOPMENT

SEC. 305. The Secretary shall take all necessary action to coordinate child development and family service programs under his jurisdiction. To this end, he shall establish within the Office of the Secretary of the Department of Health, Education, and Welfare an Office of Child Development, administered by a Director, which office shall be the principal agency of the Department for the administration of this Act including research and evaluation and for the coordination of programs including all child development and family service research, training, and development efforts.

SPECIAL COORDINATING COUNCIL

SEC. 306. A Child Development Research Council, consisting of a representative of the Office of Child Development established under section 305 of this title (who shall serve as chairman), and representatives from the Federal agencies administering the Social Security Act and the Elementary and Secondary Education Act of 1965 and from the National Institute of Mental Health, the National Institute of Child Health and Human Development, the Office of Economic Opportunity, the Department of Labor, and other appropriate agencies, shall meet on a regular basis, as they may deem necessary, in order to assure coordination of child development and related family service activities under their respective jurisdictions so as to assure—

(1) maximum utilization of available resources through the prevention of duplication of activities;

(2) a division of labor, insofar as is compatible with the purposes of each of the agencies or authorities specified in this paragraph, to assure maximum progress toward the achievement of the purposes of this Act;

(3) the establishment and maintenance of an information bank to insure that each office or agency of the Federal Government conducting child development and family service, child care and related family service activities is aware of the administrative actions of other offices or agencies with respect to the provision of financial assistance to eligible applicants; and

(4) recommendation of priorities for federally funded research and development activities related to the purposes of this Act.

SPECIAL PROVISIONS

SEC. 307. (a) The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program or activity receiving assistance under this Act.

(c) The Secretary make make such grants, contracts or agreement, establish such procedures, policies, rules, and regulations, and make such payments in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including necessary adjustments in payments on account of overpayments or underpayments. Subject to the provisions of section 308, the Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

(d) The Secretary shall not provide financial assistance for any program service, or activity under this Act unless he determines that persons employed thereunder, other than persons who serve without compensation, shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938 (29 U.S.C. 206), if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay for persons employed in similar occupations by the same employer.

(e) The Secretary shall not provide financial assistance for any program under this Act which involves political activities; and neither the program, the funds provided therefor, nor personnel employed in the administration thereof, shall be, in any way or to any extent, engaged in the conduct of political activities in contravention of section 603, of the Economic Opportunity Act of 1964.

(f) The Secretary shall not provide financial assistance for any program under this Act unless he determines that no funds will be used for and no person will be employed under the program in the construction, operation, or maintenance of so much of any facility as is for use for sectarian instruction or as a place for religious worship.

(g) Prime sponsorship plans, program statements, annual family service plans, project applications, and all written material pertaining thereto shall be made readily available without charge to the public by the State, the prime sponsor, the applicant, and by the Secretary.

WITHHOLDING OF GRANTS

SEC. 308. Whenever the Secretary, after reasonable notice and opportunity for a hearing for any State, prime sponsor, or project applicant, finds—

(1) that there has been failure to comply substantially with agreements contained in the State annual family service plan relating to coordination (in accordance with section 106); or

(2) that there has been a failure to comply substantially with any requirement set forth in the program statement of any such prime sponsor approved under section 105; or

(3) that there has been a failure to comply substantially with any requirement set forth in the applica-

tion of any such project applicant approved pursuant to section 105; or

(4) that in the operation of any plan, program, or project carried out by any such State, prime sponsor, or project applicant or other recipient of financial assistance under this Act there is a failure to comply substantially with any applicable provision of this Act or regulation promulgated thereunder;

the Secretary shall notify such State, prime sponsor, project applicant, or other recipient of his findings and that no further payments may be made to such State, sponsor, project applicant, or other recipient under this Act (or in the Secretary's discretion that any such prime sponsor shall not make further payments under this Act to specified project applicants affected by the failure) until he is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Secretary may authorize the continuation of payments with respect to any project assisted under this Act which is being carried out pursuant to such plan or application and which is not involved in any noncompliance.

FEDERAL CONTROL NOT AUTHORIZED

SEC. 309. No department, agency, officer, or employee of the United States shall, under authority of this Act, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

SPECIAL PROHIBITIONS AND PROTECTIONS

SEC. 310. (a) (1) Nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children. Nor shall any section of this Act be construed or applied in such a manner as to permit any invasion of privacy otherwise protected by law, or to abridge any legal remedies for any such invasion which are otherwise provided by law.

(2) The Secretary is directed to establish appropriate procedures to insure that no child shall be the subject of any research or experimentation under this Act unless the parent or guardian of such child is informed of such research or experimentation and is given an opportunity as of right to except such child therefrom.

(3) A child participating in a program assisted under this Act shall not be required to undergo medical or psychological examination, immunization (except to the extent necessary to protect the public from epidemics of contagious

diseases), or treatment if his parent or guardian objects thereto in writing.

(b) The Secretary shall establish policies and procedures, in accordance with regulations which he shall prescribe, to assure that all programs and projects assisted under this Act address, on a continuing basis, the individual needs of and the appropriateness of child development services for the very young and other children served—

(1) any program or project providing care outside the home for very young children shall be reviewed and evaluated periodically and frequently by the Secretary, to insure that it meets the highest standards of quality; and the Secretary may reserve such funds as he deems necessary from funds available under this Act for the purpose of evaluation, by appropriate persons, of programs under this Act in order to insure compliance with subsections (a) and (b) of this section.

(2) no program or project described in clause (1) of this subsection shall be approved for assistance under this Act unless it is specifically authorized and approved by the Secretary.

(c) (1) Upon determination that a prime sponsor or project is in violation of one or more of the provisions of this section, the Secretary shall give immediate public notice of such determination to such prime sponsor or project and, if such violation or violations have not been corrected, shall commence action within ninety days of such determination to withhold funds under section 308.

(2) Upon determination that a project is in violation of one or more of the provisions of this section, the prime sponsor shall give immediate notice of such determination to such project and, if such violation or violations have not been corrected, shall commence action within ninety days of such determination to withhold funds under section 308.

REPEAL OR AMENDMENT OF EXISTING AUTHORITY AND COORDINATION

SEC. 311. (a) In order to achieve, the greatest degree feasible, the consolidation and coordination of programs providing services for children, while assuring continuity of existing programs during transition to the programs authorized under this Act, the Economic Opportunity Act of 1964 is amended, effective July 1, 1975, as follows:

(1) Section 222(a) (1) of such Act is repealed.

(2) Section 162(b) of such Act is amended by inserting after "day care for children" the following: "(wherever feasible, through child care programs under the Comprehensive Headstart, Child Development, and Family Services Act of 1972)".

(3) Section 123(a) (6) of such Act is amended by

inserting after "day care for children" the following: "(wherever feasible, through child care programs under the Comprehensive Headstart, Child Development, and Family Services Act of 1972)".

(4) Section 312(b)(1) of such Act is amended by inserting after "day care for children" the following: "(wherever feasible, through child care programs under the Comprehensive Headstart, Child Development, and Family Services Act of 1972)".

(b) After consultation with the head of any agency of the Federal Government immediately responsible for providing Federal assistance for child development and family service, child care, and related programs, including Title I of the Elementary and Secondary Education Act of 1965, section 222(a)(2) of the Economic Opportunity Act of 1964, Title VII of the Housing and Urban Development Act of 1966, Title I of the Demonstration Cities and Metropolitan Development Act of 1966 and the Social Security Act, the Secretary of Health, Education and Welfare shall establish regulations to assure the coordination of all such programs with the programs assisted under this Act.

(c) (1) Section 203(j)(1) of the Federal Property and Administrative Services Act of 1949 is amended by striking out "or civil defense" and inserting in lieu thereof "civil defense, or the operation of child development facilities".

(2) Section 203 (j) (3) of such Act is amended—

(A) by striking out, in the first sentence, "or public health" and inserting in lieu thereof "public health, or the operation of child development facilities",

(B) by inserting after "handicapped," in clause (A) and clause (B) of the first sentence the following: "child development facilities", and

(C) by inserting after "public health purposes" and the second sentence the following: ", or for the operation of child development facilities,".

(3) Section 203 (j) of such Act is amended by adding at the end thereof the following new paragraph:

"(8) The term 'child development facility' means any such facility as defined in section 304 (b) (1) of the Comprehensive Headstart, Child Development and Family Services Act.".

TRANSITIONAL AUTHORITY

SEC. 312. (a) The application of the formula prescribed by section 225 (a) of the Economic Opportunity Act of 1964 for the allotment of funds among the States may be waived by the Director of the Office of Economic Opportunity to the extent he deems necessary to prevent hardship in the allotment of funds for programs under title II of such

Act resulting from the discontinuance of the authorization for section 222 (a) (1) of such title by this Act.

(b) The Director of the Office of Economic Opportunity may extend assistance under sections 221 and 222 (a) of the Economic Opportunity Act of 1964 to a community action agency or other agency which is in excess of the maximum prescribed in section 225 (c) of such Act, if he determines, in accordance with such regulations as he shall prescribe, that the ability of such agency to provide its share of the programs costs pursuant to such section 225 (c) has been impaired by virtue of the discontinuance of the authorization for section 222 (a) (1) of such Act to an extent which justifies such additional assistance.

ACCEPTANCE OF FUNDS

SEC. 313. In carrying out the purposes and provisions of this Act, the Secretary is authorized to accept and utilize funds appropriated to carry out other provisions of Federal law if such funds are utilized for the purposes for which they are specifically authorized and appropriated.

Calendar No. 760

92d Congress
2d Session

SENATE

Report
No. 92-793

COMPREHENSIVE HEADSTART, CHILD DEVELOPMENT, AND FAMILY SERVICES ACT OF 1972

May 16, 1972.—Ordered to be printed

Mr. Nelson, from the Committee on Labor and Public Welfare, submitted the following

REPORT

together with

SUPPLEMENTAL AND INDIVIDUAL VIEWS

[To accompany S. 3617]

The Committee on Labor and Public Welfare, to which was referred legislation to strengthen and expand the Headstart program, with priority to the economically disadvantaged, to amend the Economic Opportunity Act of 1964, and for other purposes, having considered the same, orders reported an original bill, and recommends that the bill do pass.

INTRODUCTION

The need to strengthen our support for child development and preschool education efforts was recognized by President Nixon soon after he took office. In his February, 1969 Economic Opportunity message to the Congress, the President said:

> So critical is the matter of early growth that we must make a national commitment to providing all American children an opportunity for healthful and stimulating development during the first five years of life.

This Committee's effort to support that commitment—the Comprehensive Child Development Act of 1971—was adopted by the Congress last year, as part of S. 2007, the Economic Opportunity Amendments of 1971.

In vetoing that bill on December 10, 1971, the President stated that the purpose of this child development title "is certainly laudable". He noted, however, that the laudable intent of the bill was overshadowed by "fiscal irresponsibility, administrative unworkability and family weakening implications of the system it envisions."

Sharing the President's commitment to the first 5 years of life, and his support for the intent of the previous bill, the Committee has reported a substantially modified and revised version of that legislation designed specifically to meet his objections and gain his approval. Significantly, it is proposed as separate legislation.

Our bill is the product of extensive deliberation and study including 13 days of public hearings over the past 2 years. It is a bipartisan compromise between the child development provisions in S. 3193, introduced by Senators Mondale, Nelson and 12 Democratic cosponsors, and S. 3228, introduced by Senators Javits, Taft, Stafford, Schweiker, Packwood and 9 Republican cosponsors. It represents our best judgment about the way to fullfill our national commitment to families and their children.

Our hearings document the need for strengthened and expanded child development programs. They reveal how the inavailability of prenatal and postnatal health care, inadequate nutrition or the lack of educational stimulation can cripple a child for life. They demonstrate how the promising Head Start program, although enormously successful, has reached only 10% of the impoverished preschool children who are eligible for it and could benefit from it. They underscore the need to make child development and family services available on a totally voluntary basis. And they document the recent increase in the employment of mothers—which has produced a growing and unmet need for quality developmental day care, and other services, to strengthen and support family life.

The need for quality, developmental day care—available on a voluntary basis—is striking. Testimony reveals that one-third of the mothers with preschool children—a total of over 4½ million women—are working at full or part time jobs today. As a result, there are over

5 million preschool children who need full or part time day care services while their mothers are away from home. Yet, there are less than 700,000 spaces in licensed day care programs to serve them. Some of those children of working mothers are receiving adequate care now—either in the home, in family day care, or in a quality day care center. But many are not.

Numerous studies and reports reflect the Committee's conclusion about the importance of child development and family service efforts and the need for early education programs.

The 1971 Report of the Education Commission of the States, called for the expansion of developmental programs for children younger than 6, urging that they be designed for "improving the inadequate day care situations to which many children in this country are now exposed * * * detecting and preventing future problems for the 10 to 15 percent of children who might be physically or mentally handicapped or have learning disabilities * * * [and] providing help to any parent wanting to become a more effective parent."

The recent Report of the President's Commission on School Finance stated:

> We cannot ignore many research findings which lead us to believe that much of the lack of success of past efforts has been because we started too late in a child's life. * * *
>
> We believe that the Federal Government should encourage the development of early childhood education programs for all children and that financial assistance should be provided for children from low-income families.

The Committee for Economic Development, in its March, 1971, Report concluded similarly:

> The most effective point at which to influence the cumulative process of education is in the early preschool years * * * there is evidence that effective preschooling gives the best return on the educational investment * * * preschooling is desirable for all children, but it is a necessity for the disadvantaged. Without it there is little possibility of achieving equality in education.

And perhaps most significantly, the President's 1970 White House Conference on Children made the same judgment.

In a unique weighted vote the delegates to that Conference—representing parents, pediatricians, health and welfare experts, professors, authorities in practically every area of children's needs, and the children themselves—voted as their first priority the provision of "comprehensive family-oriented child development programs including health services, day care and early childhood education."

This bill is designed to provide the sensitive family and child-oriented programs that parents request—on a totally voluntary basis. It aims to strengthen families at a time when increasing numbers of mothers are already working and, as a result, unmet developmental day care needs exist. It recognizes the essential nature of parental participation in the planning and operation of these programs. It is drafted with the knowledge of the weaknesses of purely custodial preschool programs and is designed to avoid these mistakes. It is based on an understanding of the risk involved in separating children from their parents and is designed to minimize and overcome that danger. It includes, the Committee believes, the comprehensive health, educational, nutritional and developmental components that are necessary to help children reach their full potential.

MODIFICATIONS IN RESPONSE TO ADMINISTRATION CONCERNS

In the veto message, the President listed 9 specific concerns about the Child Development bill.

The Committee has developed this new proposal in order to address each of these concerns expressed in regard to the vetoed bill. Our responses and concessions include the following:

1. *Need.*—The President stated that "neither the immediate need nor the desirability of a national Child Development program of this character has been demonstrated."

The Committee considered this concern, reviewed it in light of new studies and new testimony, and concluded that it should not apply to the modified and reduced version of this bill being proposed this year.

The Committee agrees with an earlier statement in the veto message that "there are some needs to be served and served now" and that "one of these needs is for day care to enable mothers, particularly those at the lowest income levels to take full-time jobs." The veto message further suggested that a combination of day care to be provided under the welfare reform proposal (H.R. 1) and under increased income tax deductions for child care, will meet some of these needs.

The Committee agrees that these new proposals will meet some of the need, but concludes that these new efforts are not sufficient in and of themselves. We found, for example, that a combination of existing Head Start programs and day care under the proposed welfare reform measure would together serve only 1¼ million of the 5½ million poor children who could benefit from preschool education or after school care.

We found, moreover, that the recently adopted child care deductions in the Revenue Act of 1971 will provide no assistance to families living in poverty and very little if any assistance to families with incomes between $4,000 and $8,000.

Treasury Department statistics reveal, for example, that a family of four with an income of $5,000, spending $500 on child care, would realize no tax savings under this Act; and a family of four, with an income of $7,000, which spends $700 on day care would realize a savings of only $77.

As a result, even with these other efforts, there are too few child development and day care opportunities for the children in poverty, and practically none for the 1 million children with working mothers in families with incomes between $4,000 and $7,000—incomes which are just a little too high to qualify for most federally assisted day care programs such as those under Head Start and Title IV of the Social Security Act, and too low to afford quality day care in private programs. Indeed, these working families living in near poverty have perhaps the greatest unmet need for quality day care.

The need for expanded developmental day care opportunities has been documented in other ways as well. The facts about working mothers are one of the indices of this need:

> In 1971, 43% of the Nation's mothers worked outside the home compared to only 18% in 1948.
>
> One out of every three mothers with preschool children is working today, compared to one out of eight in 1948.
>
> In 1971, 1.3 million mothers of children under 6 were single parents brigning up children without a husband, and half of these mothers worked.
>
> Yet, there are fewer than 700,000 spaces in licensed day care centers to serve the over 5 million preschool children whose mothers work.

Although some existing Federal programs help provide day care for these children, they often do not provide the option for developmental care which this bill offers. Dr. Edward Zigler, Director of HEW's Office of Child Development, has estimated, in testimony to our Committee that only about 20% of these day care programs are developmental, or comprehensive—and that in "many instances we are paying for service that is harmful to children."

A recent OEO publication entitled: "Day Care: Resources for Decisions", concluded:

> Over 90% of all full-day centers in the United States are privately operated for profit.
>
> Most are custodial programs because that's all that most working mothers can afford * * * Day care in America is a scattered phenomenon; largely private, cursorily supervised, growing and shrinking in response to national adult crises, largely unrelated to children's needs * * *

These findings are supported by the recently released Report of the National Council of Jewish Women, entitled "Windows on Day Care." On the basis of extensive surveys in 90 cities throughout the nation, the Report concludes that most day care facilities lack adequate services for children and their families, and some are downright damaging. It found that:

> Only a very small percentage of the children whose mothers are employed now benefit from developmental day care services. The large majority are cared for in their own homes or in the homes of others and most of them receive only custodial care. Well under ten percent are enrolled in licensed day care centers. Of the centers visited by Council members, only about a quarter provided developmental care including educational, nutritional and health services, the essential components of quality care. Survey participants found that far too many children of working mothers were grossly neglected latch-key children on their own, children who went with their mothers to their places of work because no other arrangements could be made for them, children in day care centers and homes of such poor quality they may suffer lasting injury. The first five years of a child's life are the period of the most rapid mental, personality and physical growth. Deprivation in the early years can have disastrous effects.

Dr. Harold H. Howe, Vice President of the Ford Foundation and former U.S. Commissioner of Education, described in detail the results of these inadequacies during his recent testimony to a Senate Committee. He said:

> Perhaps the best way to illustrate the idea of an environmental handicap is to describe an actual situation in which working mothers typically return to work some two months after giving birth to a child. During the time that they are working, the child will be placed with another mother whose business is taking in children of working mothers, each of whom might pay a dollar a day or so to have her children cared for during working hours. In such a center will be children from several months of age up to four or five years, and an individual caretaker might look after up to ten or twelve such children in her home.
>
> For the caretaker who has neither training nor equipment and facilities to provide a stimulating environment the entire emphasis is frequently on the passivity of children. The child who doesn't cry, who doesn't need attention, who doesn't ask questions after he has learned to speak, who doesn't move about—in other words the child who does not seek, demand, and get stimulation and is least troublesome to the person in charge—is the child who gets rewarded. Such an environment discourages the early and very significant development of every aspect of human sensitivity and potential. The qualities fortified in children so treated are the qualities which lead to failure in school. The lack of positive stimulation from human contact, from active exploration of objects, from verbal interchange, and from the kind of play through which a child learns shapes and sizes and colors depresses and inhibits the development of capabilities which are extremely important not only for success in school but for success in life. The development of language as a more important component of any individual's growth often suffers in this sort of environmental handicapping system.
>
> Contrast this situation with many well-financed day care or preschool arrangements staffed by trained personnel in which stimulation of all kinds is provided. Children get all sorts of attention and praise for their achievements on a regular basis from interested adults, they are encouraged to talk over their ideas and feeling, to handle objects, explore the differences of sound, shapes, color, texture in all kinds of materials, to solve problems—and therewith their early intellectual development is much advanced. Further they are offered choices and a range of independent activities that exercise initiative, allow the child to set his own pace, and develop goals of his own—thereby giving him a sense of power over his environment.
>
> Add to this the situation in the home for many of the kinds of families which would make use of the type of day care activity described two paragraphs above, homes in which economic handicaps deny proper nutrition and certain aspects

> of stimulation, even though just as much love and care may be present as in the middle class home, and you get a picture of environmental denial which pyramids in its effect on children as they mature.

These problems and our increasing ability to understand and prevent them, were stated by President Nixon in his 1969 message creating the Office of Child Development in HEW. He said—and additional evidence in the intervening years has added more support to his statement—that:

> We have learned, first of all, that the process of learning how to learn begins very, very early in the life of the infant child. Children begin this process in the very earliest months of life, long before they are anywhere near a first grade class, or even kindergarten, or play school groups. We have also learned that for the children of the poor, this ability to learn can begin to deteriorate very early in life, so that the youth begins school well behind his contemporaries and seemingly rarely catches up. He is handicapped as surely as a child crippled by polio is handicapped; and he bears the burden of that handicap through all his life. It is elemental that, even as in the case of polio, the effects of prevention are far better than the effects of cure.
>
> Increasingly, we know something about how this can be done. With each passing year—almost with each passing month, such is the pace of new developments in this field of knowledge—research workers in the United States and elsewhere in the world are learning more about the way in which an impoverished environment can develop a "learned helplessness" in children. When there is little stimulus for the mind, and especially when there is little interaction between parent and child, the child suffers lasting disabilities, particularly with respect to the development of a sense of control of this environment. None of this follows from the simple fact of being poor, but it is now fully established that an environment that does not stimulate learning is closely associated in the real world with poverty in its traditional forms. As much as any one thing, it is this factor that leads to the transmission of poverty from one generation to the next. It is no longer possible to deny that the process is all too evidentally at work in the slums of America's cities, and that is a most ominous aspect of the urban crisis.
>
> It is just as certain that we shall have to invent new social institutions to respond to this new knowledge.

A whole second set of "needs to be served now"—relating to what the veto message called the "protection of children from actual suffering and deprivation"—are also unmet.

Despite expanded nutritional systems, improved medical care for poor children and more effective targeting of maternal and child health services—all of which were cited by the President in his veto message, and all of which we commend and support—many children and families in need of health, nutritional, educational and other social services are still not being served.

Recent findings by the Mississippi Medicaid Commission indicate the magnitude of unmet health needs alone. The extent of undetected and untreated health problems among poor children examined by that commission—and their implications for child development—are frightening. The Commission found 1,301 medical abnormalities in the 1,178 children it examined, including: 305 cases of multiple cavities; 97 cases of faulty vision; 217 cases of enlarged tonsils; 57 cases of hernia; 48 cases of intestinal parasites—mostly hookworm; 53 cases of poor hearing; and 32 other medical conditions requiring immediate treatment.

And Administration estimates of the unmet needs for prenatal care—which are included in detail in the back of this report—indicate that it could cost approximately $380 million to provide prenatal care and hospitalization to the 1.6 million poor and near poor women who deliver children each year without necessary medical attention.

For these reasons, the Committee concludes that the need and the desirability for the wide variety of child development and family services in our new proposal have been demonstrated.

2. *Duplication and redundancy.*—The veto message suggested that "day care centers for poor children are already provided in HR 1 and that child development programs would be a duplication of these efforts", and would be "redundant in that they duplicate many existing and growing federal, state and local efforts to provide social, medical, nutritional and educational services to the very young."

For many of the reasons cited above, the Committee concludes that this bill will supplement and strengthen existing and proposed efforts, not duplicate them or be redundant. Despite the progress being made the task is far from complete. Only one-fourth of the poor children who could benefit from preschool or after school services are being served. Hundreds of thousands, and in some cases millions, of children are still not being reached with the medical, nutritional, educational services they need.

Thus, our child development program deliberately seeks to build on and improve the successful Head Start program, which is currently reaching fewer than 10% of the poor children who might benefit from it, and provide additional support for prenatal, nutritional and other efforts which—as the President noted—are currently being expanded, but are by no means reaching all those who need them.

Rather than competing with, replacing or duplicating existing or proposed efforts the programs authorized under this bill are designed as a much needed supplement. The Committee believes that they will strengthen the efforts we have begun in these fields.

3. *Costs.*—The veto message suggested that "the expenditure of $2 billion a year in a program whose effectiveness has yet to be demonstrated cannot be justified."

The Committee considered this concern and made the following modifications in the new committee bill with this in mind.

First, the effective date of the bill has been postponed an entire year, so that the planning and training year begins in FY 1973 and the first operational year is delayed until FY 1974.

Second, the authorization for the first operational year has been reduced by 40%—from $2 billion, objected to by the Administration, to $1.2 billion.

Third, the bill has been clarified to indicate that even that $1.2 billion authorization in the first operational year represents only a $700 million authorization increase. That is, the $1.2 billion authorization includes the $500 million authorization for Head Start already contained in the EOA extension bill reported by our Committee.

Thus, although this 3 year child development bill we are proposing has a total authorization of $2.95 billion—$150 million for planning and training in FY 1973, $1.2 billion in FY 1974 and $1.6 billion in FY 1975—this represents less than a $2 billion authorization increase over the next 3 years—a substantially more gradual rate of authorization increase than under the vetoed bill. And since it specifically builds and improved upon the successful and popular Head Start program, the Committee is convinced that it represents a program whose effectiveness has been demonstrated.

4. *Effects on the family.*—The veto message described one of the objectives of welfare reform as an effort "to bring the family together," but suggested that "the child development program appears to move precisely the opposite direction."

The Committee has considered that concern and made specific clarifications in the modified bill to remove any misunderstandings. We intend this to be a family-strengthening bill and we have built in a number of specific safeguards to insure that.

First, child development programs under our bill are totally voluntary. This differs sharply from some other day care proposals before the Congress, including some of the provisions in H.R. 1 as passed by the House of Representatives. Under our bill, no family is required to place their child in a day care program, a Head Start program, a part-day program or a nutrition program. These programs are offered solely and exclusively to families who chose to benefit from them. The bill specifically states in its first paragraph, that "child development programs must build upon the role of the family as the primary and most fundamental influence on children and must be provided only to children whose parents or legal guardian request them." (Section 2(a)(1)).

Second, the bill offers a whole series of services to children and families. It is not restricted to day care generally, or programs in day care centers specifically. Indeed, it doesn't even place a priority on day care. Instead, it assures that parents will have the opportunity to choose among the greatest possible variety of family supporting services—including part-day programs like Head Start, after school or full day developmental day care for children of working mothers, prenatal services, in-the-home tutoring and child development classes for parents and prospective parents.

Third, the bill has increased and clarified the priority on strengthening family life by making full day, day care available only to children whose parents are out of the home all day. Services for children whose mothers are at home are limited generally to part-day programs or in-the-home-tutoring that builds on the mother-child relationship.

This limitation is designed to underscore the Committee's desire to build on existing parent-child relationships. If a parent is in the home the bill would offer nutritional and educational services in a way that keeps the parent and the child together. That child would not, unless he were severely handicapped or had other special needs defined by the Secretary, be eligible for full-day, full-week day care. Instead, the bill would make that child eligible for part-day, or twice a week preschool programs like Head Start or nursery school, or in-the-home tutoring for him and his parents—for the expressed purpose of building on and strengthening family life.

Only if the parents are working, or are participating in training or education, and the child is one of the 5 million preschool children in this category who needs day care and in many cases is not receiving adequate day care—would a child be eligible for full-day, full-week day care. This provision—like the others cited—reflects the Committee's desire to provide quality day care for the children and families who need it, not encourage day care for all children whether they need it or not.

5. *Parental involvement.*—The veto message emphasized that "good public policy requires that we enhance, rather than diminish both parental authority and parental involvement—particularly in those decisive early years when social attitudes, and conscience are formed and religious and moral principles are first inculcated."

The Committee agrees completely. That is why we have written in the limitations of eligibility described above, and the requirement that programs under this Act shall be available "only to children whose parents or legal guardian requests them." And that is why the bill contains extensive provisions for parental involvement in all aspects of the programs—as volunteers, paraprofessionals and professionals employed in these programs, and as 50% or more of the members of the councils that approve policy, curriculum and other basic elements of these programs.

Specifically, the bill requires that the Child and Family Councils, the Local Program Councils and the Project Policy Councils all be composed of at least 50% parents whose children are served under this program. The Committee believes strongly in this policy and in these provisions—which reflect the policy under the existing Head Start program.

We believe in increasing "parental authority and parental involvement" and we have included these provisions to assure that this very important goal is met.

6. *Staff.*—The veto message stressed concern about "who the qualified people are and where they would come from to staff child development centers."

The Committee responded to this concern by increasing the authorization under the bill for preservice and inservice training of both professional and paraprofessional staff members—at the same time we made substantial reductions in the total authorization for the program. That is, at the same time we reduced total authorizations by 40%, we increased authorizations for staff training by 50%.

In addition, the resources available for staff training during the operational years of this bill were increased from a maximum of 10%, to a maximum of 15% of the total authorization. In addition, the Committee notes that an estimated 40,000 individuals, skilled and trained in education, are graduating from college each year with education degrees but are unable to find employment in education.

With appropriate retraining, these highly trained teachers could provide a major source of professional employees for child development programs. Moreover, the Committee finds that one of the most encouraging aspects of the successful Head Start program has been its ability to recruit and train non-professionals—especially mothers and other family members—for important staff responsibilities in these programs. The Committee proposal seeks to build on that success.

7. *Administrative workability.*—The veto message expressed concern about administrative workability. It noted that "by making any community of over 5,000 population eligible as a direct grantee for HEW child development funds, the proposal actually invites the participation of as many as 7,000 prime sponsors."

The Committee made several major changes in response to this concern.

First, the revised bill requires, in general, that a community have a population of 25,000—rather than 5,000—in order to become eligible as a direct grantee. This one change reduces the previous administrative and coordinating responsibilities by over two-thirds. Previously, 7,000 localities were eligible for prime sponsorship. Now, under the 25,000 population cut off, only 2,000 communities are eligible.

An amendment was offered in Committee to raise this population cut off to 100,000—which would have limited the number of eligible communities to approximately 500. The Committee considered it and rejected it by a bipartisan vote of 14 to 2.

A similar amendment seeking to raise the population cut off to 50,000—which would have limited eligibility to approximately 1,000 localities—was also considered and defeated by a 12 to 5 bipartisan vote.

The Committee felt that the 25,000 population cut off represented the best way to provide administrative workability in a program designed to encourage local flexibility, responsiveness and parental involvement.

In addition, the Committee considered and rejected by a bipartisan vote of 14–3, an amendment which would have removed the priority on local prime sponsors who qualify under the population and discretion requirements. It would have provided instead complete discretion of the Secretary of HEW to fund competing local and state applicants on the basis of whichever he decided "would be more effective". The Committee felt that this arrangement would: (1) represent a shirking of Congressional responsibility on a central policy issue; (2) encourage expensive, unnecessary and disharmonious competition between States and localities, and (3) place the Secretary of HEW in a difficult political and policy position on judging applicants from competing political jurisdictions without any Congressional guidance or criteria.

Second, the Committee further simplified the administrative arrangement by increasing the Secretary's discretion to determine whether applicants eligible under population criteria actually had the necessary capability to provide comprehensive child development and family service programs. The new language added in the bill states that the Secretary, before designating an applicant as prime sponsor, must determine that the applicant "has the capability of effectively carrying out comprehensive programs under this act."

Third, in order to further simplify program management resposibilities, the Committee bill reflects the simplified administrative structure in the minority's bill (S. 3228) which makes the public official of a prime sponsor (Mayor, Governor or county executive) responsible for the day-to-day administration of the programs, and responsible for determining policy, selecting the delegate agencies and preparing program statements. Under the vetoed bill, the Child Development Councils had these responsibilities. Under the revised bill, the councils have no day-to-day administrative responsibilities. They are required to approve the decisiosn of the prime sponsor with respect to basic policy, delegate agency selection and program statements. The Committee believes this change substantially strengthens and simplifies the management and administration of this program.

8. *State role.*—The veto message suggested that "the States would be relegated to an insignificant role".

The Committee considered this and made several substantial changes on this point in the new bill.

First, by raising the general population cut off for prime sponsors from 5,000 to 25,000 this bill provides that approximately 5,000 localities which could have administered their own programs in the vetoed bill will now be served under programs administered by the States.

Second, the Committee bill has increased from 5% to 10% the set aside for States for the technical assistance, personnel exchange, dissemination of research and evaluation. Additionally, it has added to this State role a requirement for comprehensive state coordination and planning. In order to qualify for these funds, a State must reach adequate agreement with local prime sponsors in the State on comprehensive and coordinated statewide child development planning. And the State may use any of this additional funding for its own programs or programs operated by local prime sponsors in that State.

The Committee believes that this change—in addition to doubling the funds for States—provides a real incentive for cooperation among state and local prime sponsors.

Third, the Committee adopted an amendment providing the Secretary of HEW with discretion to select, on a demonstration basis, 5 States to serve as a sole prime sponsor for child development programs in these States, even where localities would otherwise qualify.

The provision states that the Secretary shall "designate as state-wide prime sponsors not more than five States which have demonstrated capability and leadership in the field of child development and which are located in various regions of the Nation and have a variety of characteristics, including differing population sizes and urban, metropolitan, and rural area and industrial and work force composition."

It further provides that a State may be designated as a State-wide prime sponsor only if the Secretary determines that: (1) the population of such State does not exceed 5% of the national population; (2) a reasonable opportunity has been provided for each otherwise eligible prime sponsor in that State to submit comments to the State and the Secretary; and (3) the State prime sponsorship plan submitted takes into account the comments submitted by these localities.

The Committee believes this demonstration authority along with the changes described above, provides substantially expanded opportunity for state involvement in this program and represents a major concession on this point.

9. *Communal versus family centered child rearing.*—Finally, the veto message suggested that "child development would commit the vast moral authority of the National Government to the side of communal approaches to child rearing over against the family-centered approach."

For many of the reasons stated above—such as substantially reducing authority; the limitation of eligibility for full-day care; the emphasis on parental involvement and control; and the wide variety of non-day care services offered under this Act such as prenatal services, part-day day care services, in-the-home services, family planning services and others—the Committee believes this concern does not apply to this revised bill.

In the first two years the additional new authority for child development programs under this Act—and day care represents only part of the programs authorized—is smaller than, and supplementary to, the additional new funds for day care under the Administration's proposed welfare reform program.

Moreover, the sliding scale fee basis in the program provides little or no financial incentives for families with incomes in excess of $10,000 to purchase day care for their children. In contrast, the increased child care income tax deductions signed into law last year provide considerable financial incentives to families in these income ranges to purchase day care, if both parents work.

In addition to making these modifications in response to the concerns expressed in the President's veto message, the Committee sought further cooperation and consultation with the Administration.

At the suggestion of minority members of the Subcommittee on Children and Youth, a hearing on the new child development bills was called in order to give the Administration an opportunity to testify.

For various reasons, including scheduling, neither Secretary Richardson nor any of his representatives was able to accept the invitation. And no Administration specifications nor porposed amendments were offered to the Committee during mark-up. Thus we sought to meet what we knew from the veto message to be the Administration's major concerns, and we are hopeful the Committee bill will have Administration support.

At the hearing, however, the Committee did have the opportunity to receive testimony from Senator Buckley, a representative of the Emergency Committee for Children, and Mr. Dale Meers—all of whom had reservations about last year's bill—as well as two supporters of the legislation, Dr. Milton Senn, Sterling Professor Emeritus, Pediatrics and Psychology at Yale University; and Dr. Bettye Caldwell, Director of the Center for Early Development and Education in Little Rock, Arkansas.

This testimony—particularly that offered by Mr. Meers—influenced the Committee and resulted in amendments clarifying the bill's special safeguards for very young children, its insistence on high standards, its provision preventing dilution of staff or other essential program components, and its strong research and evaluation requirements.

In summary, the Committee has sought to address and resolve all of the objections raised to last year's child development bill in the veto message.

ADDITIONAL MODIFICATIONS

In addition to the modifications the Committee made in response to the specific concerns expressed in the veto message, the Committee has made the following changes in the vetoed bill:

1. *Separate bill.*—This year the bill is proposed as a separate piece of legislation unlike last year's child development legislation which was attached to the legislation extending the Economic Opportunity Act. The Committee believes this change should make the bill more acceptable to the Administration and that it has helped encourage a greater national debate on the issue by providing it with a separate and distinct identity.

2. *Public schools.*—In order to draw on the experience of public schools and encourage continuity between preschool and school-age programs, the bill reserves 5% of the funds under Title I for special innovative programs run by educational agencies. This provision is designed to provide continuity between preschool programs, after school programs and educational and related programs conducted by educational agencies and institutions. Although educational insitutions are clearly authorized as project applicants or delegates agency applicants throughout the bill, this provision has been added to highlight and underscore the valuable contribution that educational agencies can make to the success of this program.

3. *Limitation on administrative expenses.*—In order to assure that administrative expenses under this bill are reasonable the bill contains a 5% limitation on the administrative expenses of Child and Family Service Councils, Local Program Councils and Project Policy Committees. This provision does not limit the expenses of individual projects or expenses of prime sponsors, but it is simply designed to assure that the staff and other administrative expenses of the relevant council or committee does not exceed 5% of the total funds expended in the program or programs it has responsibility to review and approve.

4. *Special protections for the young.*—In response to some very legitimate concerns expressed by experts such as Mr. Dale Meers who testified at this year's hearing, the Committee has added provisions designed to clarify its intent that services offered under this program are of the very highest quality and are to be offered in a manner which is sensitive to the individual needs of each child who participates.

Mr. Meers—some of whose earlier writings have been cited as criticisms of last year's bill by some of those who opposed its enactment—presented a very balanced and thoughtful statement to our Committee. He stated, at various points in his testimony that:

> Group day-care is needed today, and urgently so, because of other failures in our social institutions.
>
> * * * * * * *
>
> I wish to emphasize here that the needs of the children of our inner city families are greater, far greater than this legislation assumes.

> Any casual observer of the inner cities of Appalachia and our migrant workers will appreciate that the needs of our damaged families and their distressed children is now. They cannot wait for the evidence of research which is necessarily protracted over many years.
>
> * * * * * * *
>
> My point here is that daycare has particular value if used appropriately. But if it is oversold like Head Start, or if it is inadequately funded and structured, then failures will be inevitable and a worthwhile, albeit limited, service may be needlessly discredited.
>
> * * * * * * *
>
> For if Congress is loath to expend a greater amount of money for any particular fiscal year, it is better by far to limit the intake of children so that they can be adequately cared for than it is to extend the service by cutting the cost per child. The latter course, it seems to me, is certain to cripple daycare, if other problems do not.
>
> * * * * * * *
>
> I would repeat my conviction that effective daycare is urgently needed today—as a remedial program that with all its limitations is undoubtedly better than the neglect of our most disadvantaged children.
>
> * * * * * * *

For these very excellent reasons the Committee has underscored and improved the standards and safeguards for any day care program offered under the bill.

The Committee bill assures that standards of child development programs under this Act will be no weaker than the 1968 Federal Interagency Day Care Standards. This provision provides that standards for child development under this act must "be consistent with" the 1968 Federal Interagency Day Care Standards which currently apply to all federally assisted day care programs. The specific intent of this amendment is to guarantee that adult-child ratios in these day care programs—which parents, researchers, child welfare experts, and other authorities agree is perhaps the single most important guarantee of quality and protection against damage—cannot be diluted. This amendment does not freeze every provision of those standards. It deliberately provides HEW with the flexibility to correct weaknesses and improve the quality of day care. But it will not permit any weakening of those standards which would provide cheaper or less adequate care, decrease the existing emphasis on nutrition and health or reduce the existing adult-child ratios.

In addition we have added provisions requiring the Secretary to establish safeguards to insure that: (1) every program receiving assistance under this act will provide special attention to the individual needs of any very young children participating; (2) any program or project providing day care or part day care outside of the home for very young children will be reviewed periodically and frequently by the Secretary to insure that it meets the highest standards of quality; and (3) no program providing full or part day care outside of the home for very young children will be funded under this act unless it is specifically authorized and approved by the Secretary.

Moreover, the bill contains additional new safeguards designed to prevent situations in which staff ratios might be diluted to the point that they violate the quality standards and offer less effective or even harmful services. The bill specifically provides that is such violations are discovered, the Secretary shall give immediate public notice and terminate assistance to that project unless violations have been corrected within 90 days.

Finally, the Committee has added language specifically prohibiting any prime sponsor, program or project receiving funds under this act to reduce the quality of services below the established standards in order to reduce expenditures per child or extend services to larger numbers of children.

We believe that these provisions have strengthened the bill and will provide additional and useful protections for all children served under this act, especially young children.

The Committee hopes as well, that professional organizations such as the American Medical Association and the American Psychiatric Association will assist in consulting with and evaluating the programs under this act—so that independent judgments and evaluations will be available both to the Secretary and to the Committee. Our bill specifically authorizes funds for this purpose. This kind of assistance from professional organizations can go a long way toward providing the special protections that are necessary to prevent any dilution or reductions in standards.

We are indebted to Mr. Meers for testifying at the Committee's hearing, re-emphasizing these concerns and consulting with the Committee in the preparation of these provisions.

OTHER ESSENTIAL ELEMENTS

1. *Developmental program required.*—The central requirement is that child development programs must, in fact, be developmental—centered on the needs of the children and the family—and not custodial in nature.

The Committee intends that meeting the needs of the children and families served must be the overriding concern of those administering the bill at the departmental, prime sponsor and project level.

Programs which meet the standards of this Act will require significant expenditures per child. The Office for Child Development has estimated that desirable programs of group day care for 3- to 5-year-old children would cost an average of $2,372 per child, and that programs for children in school would cost an average of $635 per child. The same OCD study found that purely custodial services for children age 3 to 5 would cost an average of $1,425, and $310 for children in school.

The committee finds, on the basis of extensive testimony, that programs which do not provide developmental services may, in fact, have a stunting effect on the intellectual and emotional growth of the child, while programs that do provide such services may stimulate such growth. The bill therefore requires the additional expenditure per child necessary to provide developmental services.

The Committee believes that officials who are responsible for making arrangements for vision care services in a particular child development program should have the option to select either a physician skilled in the diseases of the eye (an opthalmologist) or an optometrist who is duly licensed to perform such services according to the laws of the particular State.

2. *Child and family service councils, local program councils and project policy committees.*—Governmental prime sponsors under this bill are required to create child development councils—composed one-half of parents selected by parents whose children are participating in these programs. The remainder of the council shall be appointed by the appropriate Governor, mayor, or county executive to represent the public generally and shall include representatives of public and private agencies in health, education, employment, business and labor, as well as persons skilled in child development, child health, and child welfare. At least one-third of the members of the council must be economically disadvantaged.

The child development council has responsibility for approving the program statement, basic program policies and the selection of the delegate agency.

In areas under State prime sponsorship, the Governor is required to establish local program areas, in which local Program Councils will be established. These local program areas shall not exceed 50,000 in population, unless the Governor requests and receives a waiver from the Secretary permitting one or more of the areas to have a population not in excess of 100,000. The Local Program Council—composed one half of parents and one half of representatives of the public selected by local governmental officials—must approve the program statement for that area and the projects to be funded in that area.

The bill also requires that project policy committees be established at the individual project or program level to approve policy decisions and actions. These committees shall be composed so that not less than one-half of the members shall be parents of children participating in these child development projects and the remainder shall be members of the community including persons with experience in child development, child health, child welfare, and other child services.

The bill's provisions for local administration and parental participation are based substantially upon the recent Headstart guidelines promulgated in August 1970, which are printed at the end of this report.

3. *Eligibility for participation.*—The bill provides that children from all income levels are eligible to participate. Priority is placed on the provision of free services to children from families with incomes below the Department of Labor's lower living standard, adjusted for regional, and metropolitan, urban and rural differences. The committee expects the Bureau of Labor Statistics to develop this more sophisticated and detailed, three-way breakdown of metropolitan, urban and rural differences in the cost-of-living during the FY 1973 planning year. After the reservation of funds for poor chil-

dren served under Headstart, two-thirds of the funds under this bill are reserved to provide services to children from families with incomes below the BLS lower living standard, and up to one-third of the funds are available to serve children from families with incomes above this lower living standard on a sliding scale fee basis established by the Secretary of HEW.

4. *Handicapped children in child development programs.*—This bill specifies that not less than 10% of the funds will be reserved by the Secretary in order to guarantee that handicapped children are included in child care programs and receive special services.

It is estimated that there are 2.4 million preschool children in the United States who are seriously handicapped. Under Federal law these are children who are mentally retarded, deaf, blind, emotionally disturbed, crippled, or impaired in speech or hearing.

When a handicapped child is born into poverty his problems multiply. All children born into poverty, segregated or isolated for cultural reasons, or otherwise restricted in experimental opportunities can anticipate difficuly in coping with today's educational system. To face a childhood of poverty, to grow up the child of a migrant worker, to develop in an environment where the mother must work because there is no father; to face these disasters of childhood with the additional problems of deafness, blindness, orthopedic handicaps, or other disabling conditions imposes an almost intolerable burden on any child, and on his parents and brothers and sisters and, in a sense, renders the child and his family doubly handicapped.

Although the national estimate for the prevalence of handicapped children is 10 percent, the estimate for the prevalence of handicapped poor children runs much higher; at least 12 to 15 percent and frequently reported as higher. Unavailability of social and medical services and inadequate diets all lead to high prevalence rates.

A 1968 study of Headstart of over 10,000 Headstart children indicated that 11.9 percent of the children had one or more major handicapping conditions; 3.5 percent had two or more major handicapping conditions. These figures are particularly staggering when the unknown number of children excluded from the programs are added to this handicapped child population. A recent report from Dr. Nicholas Long of the Hillcrest Center, in the heart of the District of Columbia's Cardozo district, which is responsible for Mental Health screening of all Headstart children in Washington, D.C., indicated that 10 percent of the Headstart children were so seriously emotionally disturbed that they are unable to continue in Headstart classes and will be unable to begin first grade. This 10-percent figure refers to the emotionally disturbed alone without including the retarded, blind, deaf, etc. Success rations from Dr. Long's pilot preschool program and specially elementary school programs indicate an 80-percent return rate to the regular school for these children after 1 year of enrollment at Hillcrest. There are 28 day care centers in the Cardozo district alone. At present, only 12 preschool children can be seen at Hillcrest. Under the provisions of the proposed amendment, 300 emotionally distrubed children in Cardozo alone could receive help from resource teams working with day care personnel.

The history of Headstart suggests that severely handicapped children have been excluded from programs and, in fact, children with only moderate handicaps have generally been refused access to such services. These refusals have normally been based on the feeling that the national program is not primarily oriented toward treating handicapping conditions, and expertise is not available at the local level for developing effective programs. Thus, those children with the greatest need for help, and those parents with the heaviest burdens to bear, are denied the help to which they should be entitled. The purpose of the reservation of 10 percent of the funds for the Secretary is to guarantee that a mother, herself disadvantaged because of poverty, is not discriminated against again because she has a handicapped child. Parents of children who are handicapped as well as poor have been least able to find effective programs for their children. The burdens on such parents are intolerable.

5. *Distribution formula.*—The bill contains the same formula as the previous bill for distribution of funds among States and within States. After the reservation of $500 million for programs such as Headstart serving low income children, funds will be distributed on a formula composed of the following elements: (1) 50 percent based on the number of economically disadvantaged children, (2) 25 percent based on the number of children under age 6, and (3) 25 percent based on the number of children of working parents or single parents.

For the purposes of distribution, children in institutions shall be assumed to qualify under factors (1) and (3) above, and shall be counted as residing in the area where the institution is located. These children, if they meet the other eligibility criteria in the bill such as age, will be eligible to participate in programs under this act.

6. *Program coordination.*—The Committee bill contains a number of provisions to ensure that the Secretary of Health, Education and Welfare has the authority to coordinate other federally assisted child development, child care and family service programs with programs under the Committee bill.

The Committee wishes to make clear that the principal coordination provision, set forth in Section 311(b), is not to be confused by the Secretary as new authority to impose the program standards established under the Committee bill upon programs conducted under other federally assisted programs.

It should be noted, however, that the foregoing statement is not intended to affect in any way the existing authority for coordination and the establishment of a common set of program standards contained in Part B of Title V of the Economic Opportunity Act of 1964, nor to preclude the application of the standards established under the Committee bill to funds accepted from other federal sources pursuant to Sec. 313 of the Committee bill.

7. *Estimate of cost.*—In accordance with Section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee estimates that the maximum cost of carrying out this bill would be as follows:

$150 million in Fiscal Year ending June, 1973;
$1.2 billion in Fiscal Year ending June, 1974;
$1.6 billion in Fiscal Year ending June, 1975.

The Committee emphasizes that this does not all represent new authorization or new costs. The cost of the Head Start program, which is currently funded at almost $400 million per year is included under the authorization for Fiscal years 1974 and 1975. Thus, the Committee estimates that the maximum additional cost of this legislation would be a total of approximately $2 billion over the next 3 fiscal years.

8. *Tabulation of votes cast in committee.*—Pursuant to Section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes in Committee.

1. Motion by Mr. Dominick to increase the minimum population for prime sponsorship from 25,000 to 100,000. REJECTED: 2 yeas: 14 Nays.

Yeas—2

Mr. Dominick
Mr. Beall

Nays—14

Mr. Williams
Mr. Randolph
Mr. Pell
Mr. Kennedy
Mr. Nelson
Mr. Mondale
Mr. Eagleton
Mr. Cranston
Mr. Hughes
Mr. Stevenson
Mr. Javits
Mr. Schweiker
Mr. Packwood
Mr. Stafford.

2. Motion by Mr. Dominick to increase the minimum population for prime sponsorship from 25,000 to 50,000. REJECTED: 5 Yeas: 12 Nays.

Yeas—5

Mr. Javits
Mr. Dominick
Mr. Packwood
Mr. Taft
Mr. Beall

Nays—12

Mr. Williams
Mr. Randolph
Mr. Pell
Mr. Kennedy
Mr. Nelson
Mr. Mondale
Mr. Eagleton
Mr. Cranston
Mr. Hughes
Mr. Stevenson
Mr. Schweiker
Mr. Stafford

3. Motion by Mr. Dominick to substitute complete Secretarial discretion in choosing between state and local prime sponsors applicants for existing priority on local prime sponsors of 25,000 population or better which demonstrate to the Secretary their capability for effectively carrying out comprehensive child development programs. REJECTED: 3 yeas; 14 Nays.

Yeas—3

Mr. Dominick
Mr. Taft
Mr. Beall

Nays—14

Mr. Williams
Mr. Randolph
Mr. Pell
Mr. Kennedy
Mr. Nelson
Mr. Mondale
Mr. Eagleton
Mr. Cranston
Mr. Hughes
Mr. Stevenson
Mr. Javits
Mr. Schweiker
Mr. Packwood
Mr. Stafford

4. Motion by Mr. Cranston to exclude any State with a population in excess of 5% of the nation's population from eligibility to participate in demonstration project involving State as sole state-wide prime sponsor. ADOPTED: 11 Yeas: 2 Nays.

Yeas—11

Mr. Williams
Mr. Kennedy
Mr. Nelson
Mr. Mondale

Mr. Cranston
Mr. Hughes
Mr. Stevenson
Mr. Javits

Mr. Schweiker
Mr. Taft
Mr. Stafford.

Nays—2

Mr. Dominick
Mr. Beall

5. The bill was reported favorably by the committee by voice vote.

APPENDIX

1. Coalition Statement

Last year's bill was developed in conjunction with, and supported by a wide range of organizations interested in children and families, including the: Amalgamated Clothing Workers; AFL–CIO; Americans for Democratic Action; Americans for Indian Opportunity Action Council; Black Child Development Institute; Committee for Community Affairs; Common Cause; Day Care and Child Development Council of America, Inc.; Friends Committee on National Legislation; Interstate Research Associates; International Ladies Garment Workers Union; League of Women Voters; Leadership Conference on Civil Rights; National Council of Churches; National Council of Negro Women; National Education Association; National League of Cities and U.S. Conference of Mayors; National Organization of Women, president and vice president for legislation; National Welfare Rights Organization; United Auto Workers; U.S. Catholic Conference, Family Life Division; and Washington Research Project Action Council.

The members of this coalition, and others, adopted a set of principles for any new child development bill this year, which the Committee believes are embodied in the bill we propose. We are hopeful that the members of the coalition will support the Committee bill and work for its enactment. An excerpt from the coalition's statement of purpose follows:

> The undersigned organizations are committed to certain principles which were embodied in the legislation which was passed by bipartisan majorities of both houses of Congress last year. We reaffirm those principles as follows:
>
> (1) that programs must be of high quality, comprehensive, and developmental, oriented to the needs of children and available to all children;
>
> (2) that parents must be directly involved in policy decisions affecting their own children;
>
> (3) that programs must be locally controlled and flexible enough to meet individual community needs;
>
> (4) that programs must be designed to include children with a variety of socioeconomic backgrounds;
>
> (5) that adequate protections must be provided to assure that the needs of minority group and economically disadvantaged children are met; and
>
> (6) that this nation must make a substantial commitment of new public funds to begin to meet the compelling and immediate need for these services.
>
> Amalgamated Clothing Workers.
> AFL–CIO.
> Americans for Democratic Action.
> Americans for Indian Opportunity Action Council.

Black Child Development Institute.
Center for Community Change.
Child Welfare League of America.
Children's Foundation.
Common Cause.
Friends Committee on National Legislation.
Health and Welfare Council of the National Capital Area.
International Ladies Garment Workers Union.
Interstate Research Associates.
Leadership Conference on Civil Rights.
League of Women Voters.
National Board of the Young Women's Christian Association of the U.S.A.
National Council of Churches.
National Council of Jewish Women.
National Council of Negro Women.
National Council on Hunger and Malnutrition.
National Education Association.
National Urban Coalition.
National Urban League.
National Welfare Rights Organization.
United Auto Workers.
Thelma C. Adair, Coordination of Education Strategy, United Presbyterian Board of National Missions.
Mary Jane Patterson, United Presbyterian Church of the U.S.A., Washington Office.
Women's International League for Peace and Freedom.
Washington Research Project Action Council.

2. *Unmet Prenatal Needs*

ESTIMATE OF COST OF PROVIDING PRE-NATAL CARE UNDER COMPREHENSIVE CHILD DEVELOPMENT BILL

1. Prenatal care and hospitalization is averaging $450 in the maternity and infant care projects under Title V, Social Security Act.

2. There are an estimated 3,600,000 live births per year. Of this number it is estimated that 15.3% (550,800) are to women falling below the national poverty level (OEO) and 32.4% (1,166,400) to women with family incomes below $7,000 per year.

3. 550,800 births times the estimated cost of $450.00=$247,860,000; 1,166,400 births times the estimated cost of $450.00=$484,880,000. However, through the present programs under Maternal and Child Health and Maternity and Infant Care, approximately $100,000,000 is already being spent with the same population.

(Material submitted by HEW June 16, 1971 hearing).

3. *Headstart Guidelines*

(See next page.)

Department of H, E. W. Headstart Guidelines

I-30-2 THE PARENTS

A. INTRODUCTION

Head Start believes that the gains made by the child in Head Start must be understood and built upon by the family and the community. To achieve this goal, Head Start provides for the involvement of the child's parents and other members of the family in the experiences he receives in the child development center by giving them many opportunities for a richer appreciation of the young child's needs and how to satisfy them.

Many of the benefits of Head Start are rooted in "change". These changes must take place in the family itself, in the community, and in the attitudes of people and institutions that have an impact on both.

It is clear that the success of Head Start in bringing about substantial changes demands the fullest involvement of the parents, parental-substitutes, and families of children enrolled in its programs. This involvement begins when a Head Start program begins and should gain vigor and vitality as planning and activities go forward.

Successful parental involvement enters into every part of Head Start, influences other anti-poverty programs, helps bring about changes in institutions in the community, and works toward altering the social conditions that have formed the systems that surround the economically disadvantaged child and his family.

Project Head Start must continue to discover new ways for parents to become deeply involved in decision-making about the program and in the development of activities that they deem helpful and important in meeting their particular needs and conditions. For some parents, participation may begin on a simple level and move to more complex levels. For other parents the movement will be immediate, because of past experiences, into complex levels of sharing and giving. Every Head Start program is obligated to provide the channels through which such participation and involvement can be provided for and enriched.

Unless this happens, the goals of Head Start will not be achieved and the program itself will remain a creative experience for the preschool child in a setting that is not reinforced by needed changes in social systems into which the child will move after his Head Start experience.

This sharing in decisions for the future is one of the primary aims of parent participation and involvement in Project Head Start.

B. THE ROLE OF THE PARENTS

EVERY HEAD START PROGRAM MUST HAVE EFFECTIVE PARENT PARTICIPATION. There are at least four major kinds of parent participation in local Head Start programs.

1. PARTICIPATION IN THE PROCESS OF MAKING DECISIONS ABOUT THE NATURE AND OPERATION OF THE PROGRAM.

2. PARTICIPATION IN THE CLASSROOM AS PAID EMPLOYEES, VOLUNTEERS OR OBSERVERS.

3. ACTIVITIES FOR THE PARENTS WHICH THEY HAVE HELPED TO DEVELOP.

4. WORKING WITH THEIR CHILDREN IN COOPERATION WITH THE STAFF OF THE CENTER.

Each of these is essential to an effective Head Start program both at the grantee level and the delegate agency level. Every Head Start program must hire/designate a Coordinator of Parent Activities to help bring about appropriate parent participation. This staff member may be a volunteer in smaller communities.

1. PARENT PARTICIPATION IN THE PROCESS OF MAKING DECISIONS ABOUT THE NATURE AND OPERATION OF THE PROGRAM

HEAD START POLICY GROUPS

a. Structure

The formal structure by which parents can participate in policy making and operation of the program will vary with the local administrative structure of the program.

Normally, however, the Head Start policy groups will consist of the following:

1. Head Start Center Committee. This committee must be set up at the center level. Where centers have several classes, it is recommended that there also be parent class committees.
2. Head Start Policy Committee. This committee must be set up at the delegate agency level when the program is administered in whole or in part by such agencies.
3. Head Start Policy Council. This Council must be set up at the grantee level.

When a grantee has delegated the entire Head Start program to one Delegate Agency, it is not necessary to have a Policy Council in addition to a Delegate Agency Policy Committee. Instead one policy group serves both the Grantee Board and the Delegate Agency Board.

b. Composition

Chart A describes the composition of each of these groups.

CHART A

Organization	Composition
1. Head Start Center Committee	1. Parents whose children are enrolled in that center.
2. Head Start Policy Committee (delegate agency)	2. At least 50% parents of Head Start children presently enrolled in that delegate agency program plus representatives of the community*
3. Head Start Policy Council (grantee)	3. At least 50% parents of Head Start children presently enrolled in that grantee's program plus representatives of the community**

*Representatives of the Community (Delegate Agency level): A representative of neighborhood community groups (public and private) and of local neighborhood community or professional organizations, which have a concern for children of low income families and can contribute to the development of the program. The number of such representatives will vary depending on the number of organizations which should appropriately be represented. The Delegate Agency determines the composition of their committee (within the above guidelines) and methods to be used in selecting representatives of the community. Parents of former Head Start children may serve as representatives of the community on delegate agency policy groups. All representatives of the community selected by the agency must be approved by elected parent members of the committee. In no case, however, should representatives of the community exceed 50% of the total committee.

**Representatives of the Community (Grantee Agency level): A representative of major agencies, (public and private) and major community civic or professional organizations which have a concern for children of low income families and can contribute to the program. The number of such representatives will vary, depending on the number of organizations which should appropriately be represented. The applicant agency determines the composition of the council (within the above guidelines) and the methods to be used in selecting representatives of the community. Parents of former Head Start children may serve as representatives of the community on grantee agency policy groups. All representatives of the community selected by the agency must be approved by elected parent members of the committee. In no case, however, should representatives of the community exceed 50% of the total committee or council.

SPECIAL NOTES

1. All parents serving on policy groups must be elected by parents of Head Start children currently enrolled in the program.

2. It is strongly recommended that the community action agency board have representation from the Head Start Policy Council to assure coordination of Head Start activities with other CAA programs. Conversely, community action agency board representation on the Policy Council is also recommended.

3. It is important that the membership of policy groups be rotated to assure a regular influx of new ideas into the program. For this purpose, terms of membership must be limited to no more than three years.

4. No staff member (nor members of their families as defined in CAP Memo 23A) of the applicant or delegate agencies shall serve on the council or committee in a voting capacity. Staff members may attend the meetings of councils or committees in a consultative non-voting capacity upon request of the council or committee.

5. Every corporate board operating a Head Start program must have a Policy Committee or Council as defined by HEW. The corporate body and the Policy Committee or Council must not be one and the same.

6. Policy groups for summer programs present a special problem because of the difficulty of electing parent representatives in advance. Therefore, the policy group for one summer program must remain in office until its successors have been elected and taken office. The group from the former program should meet frequently between the end of the program and the election of new members to assure some measure of program continuity. These meetings should be for the purpose of (a) assuring appropriate follow up of the children (b) aiding the the development of the upcoming summer Head Start program, (c) writing of the application, (d) hiring of the director and establishment of criteria for hiring staff and, when necessary (e) orientation of the new members. In short, the policy group from a former program must not be dissolved until a new group is elected. The expertise of those parents who have previously served should be used whenever possible.

c. FUNCTIONS

The following paragraphs and charts describe the minimum functions and degrees of responsibility for the various policy groups involved in administration of local Head Start programs. Local groups may negotiate for additional functions and a greater share of responsibility if all parties agree. All such agreements are subject to such limitations as may be called for by OEO or HEW policy. Questions about this should be referred to your HEW regional office.

1) The Head Start Center Committee shall carry out at least the following minimum responsibilities:

   a) Assists teacher, center director, and all other persons responsible for the development and operation of every component including curriculum in the Head Start program.

   b) Works closely with classroom teachers and all other component staff to carry out the daily activities program.

c) Plans, conducts, and participates in informal as well as formal programs and activities for center parents and staff.

d) Participates in recruiting and screening of center employees within guidelines established by OEO/HEW, the Grantee Council and Board, and Delegate Agency Committee and Board.

2) The Head Start Policy Committee. Chart B outlines the major management functions connected with local Head Start program administered by delegate agencies and the degree of responsibility assigned to each participating group.

In addition to those listed functions, the committee shall:

a) Serve as a link between public and private organizations, the grantee Policy Council, the Delegate Agency Board of Directors, and the community it serves.

b) Have the opportunity to initiate suggestions and ideas for program improvements and to receive a report on action taken by the administering agency with regard to its recommendations.

c) Plan, coordinate and organize agency-wide activities for parents with the assistance of staff.

d) Assist in communicating with parents and encouraging their participation in the program.

e) Aid in recruiting volunteer services from parents, community residents and community organizations, and assist in the mobilization of community resources to meet identified needs.

f) Administer the Parent Activity funds.

3) The Head Start Policy Council. Chart C outlines the major management functions connected with the Head Start program at the grantee level, whether it be a community action or limited purpose agency, and the degree of responsibility assigned to each participating group.

7

In addition to those listed functions, the Council shall:

a) Serve as a link between public and private organizations, the Delegate Agency Policy Committees, Neighborhood Councils, the Grantee Board of Directors and the community it serves.

b) Have the opportunity to initiate suggestions and ideas for program improvements and to receive a report on action taken by the administering agency with regard to its recommendations.

c) Plan, coordinate and organize agency-wide activities for parents with the assistance of staff.

d) Approve the selection of Delegate Agencies.

e) Recruit volunteer services from parents, community residents and community organizations, and mobilizes community resources to meet identified needs.

f) Distribute Parent Activity funds to Policy Committees.

It may not be easy for Head Start directors and professional staff to share responsibility when decisions must be made. Even when they are committed to involving parents, the Head Start staff must take care to avoid dominating meetings by force of their greater training and experience in the process of decision-making. At these meetings, professionals may be tempted to do most of the talking. They must learn to ask parents for their ideas, and listen with attention, patience and understanding. Self-confidence and self-respect are powerful motivating forces. Activities which bring out these qualities in parents can prove invaluable in improving family life of young children from low income homes.

Members of Head Start Policy Groups whose family income falls below the "poverty line index" may receive meeting allowances or be reimbursed for travel, per diem, meal and baby sitting expenses incurred because of Policy Group meetings. The procedures necessary to secure reimbursement funds and their regulations are detailed in OEO Instruction #6803-1.

2. PARTICIPATION IN THE CLASSROOM AS PAID EMPLOYEES, VOLUNTEERS OR OBSERVERS

Head Start classes must be open to parents at times reasonable and convenient to them. There are very few occasions when the presence of a limited number of parents would present any problem in operation of the program.

Having parents in the classroom has three advantages. It:

a. gives the parents a better understanding of what the center is doing for the children and the kinds of home assistance they may require.

b. shows the child the depth of his parents concern.

c. gives the staff an opportunity to know the parents better and to learn from them.

There are, of course, many center activities outside the classroom (e.g., field trips, clinic visits, social occasions) in which the presence of parents is equally desirable.

Parents are one of the categories of persons who must receive preference for employment as non-professionals. Participation as volunteers may also be possible for many parents. Experience obtained as a volunteer may be helpful in qualifying for non-professional employment. At a minimum parents should be encouraged to observe classes several times. In order to permit fathers to observe it might be a good idea to have some parts of the program in the evening or on weekends.

Head Start Centers are encouraged to set aside space within the Center which can be used by parents for meetings and staff conferences.

3. ACTIVITIES FOR PARENTS WHICH THEY HAVE HELPED TO DEVELOP

Head Start programs must develop a plan for parent education programs which are responsive to needs expressed by the parents themselves. Other community agencies should be encouraged to assist in the planning and implementation of these programs.

Parents may also wish to work together on community problems of common concern, such as health, housing, education and welfare and to sponsor activities and programs around interests expressed by the group. Policy Committees must anticipate such needs when developing program proposals and include parent activity funds to cover the cost of parent sponsored activities.

4. WORKING WITH THEIR CHILDREN IN THEIR OWN HOME IN CONNECTION WITH THE STAFF OF THE CENTER

HEW requires that each grantee make home visits a part of its program when parents permit such visits. Teachers should visit parents of summer children a minimum of once; in full year programs there should be at least three visits, if the parents have consented to such home visits. In those rare cases where a double shift has been approved for teachers it may be necessary to use other types of personnel to make home visits. Personnel such as teacher aides, health aides and social workers may also make home visits with, or independently of, the teaching staff but coordinated through the parent program staff in order to eliminate uncoordinated visits.

Head Start staff should develop activities to be used at home by other family members that will reinforce and support the child's total Head Start experience.

Staff, parents and children will all benefit from home visits and activities. Grantees shall not require that parents permit home visits as a condition of the child's participation in Head Start. However, every effort must be made to explain the advantages of visits to parents.

DEFINITIONS AS USED ON CHARTS B AND C

A - General Responsibility

The individual or group with legal and fiscal responsibility guides and directs the carrying out of the function described through the person or group given operating responsibility.

B - Operating Responsibility

The individual or group that is directly responsible for carrying out or performing the function, consistent with the general guidance and direction of the individual or group holding general responsibility.

C - Must Approve or Disapprove

The individual or group (other than persons or groups holding general and operating responsibility, A and B above) must approve before the decision is finalized or action taken. The individual or group must also have been consulted in the decision making process prior to the point of seeking approval.

If they do not approve, the proposal cannot be adopted, or the proposed action taken, until agreement is reached between the disagreeing groups or individuals.

D - Must be Consulted

The individual or group must be called upon before any decision is made or approval is granted to give advice or information but not to make the decision or grant approval.

E - May be Consulted

The individual or group may be called upon for information, advice or recommendations by those individuals or groups having general responsibility or operating responsibility.

A = General Responsibility B = Operating Responsibility C = Must Approve or Disapprove D = Must be Consulted E = May be Consulted	Chart B				Chart C			
	Delegate Agency				Grantee Agency			
FUNCTION	Board	Executive Director	Head Start Policy Committee	Head Start Director	Board	Executive Director	Head Start Policy Council	Head Start Director
I. PLANNING								
(a) Identify child development needs in the area to be served (by CAA if not delegated)	A	B	D	D	A	B	D	D
(b) Establish goals of Head Start Program and develop ways to meet them within HEW guidelines	A	C	C	B	A	C	C	B
(c) Determine Delegate Agencies and areas in the community in which Head Start Programs will operate	-	-	-	-	A	D	C	B
(d) Determine location of centers or classes	A	D	C	B	-	-	-	-
(e) Develop plans to use all available community resources in Head Start	A	D	C	B	A	D	C	B

A = General Responsibility B = Operating Responsibility C = Must Approve or Disapprove D = Must be Consulted E = May be Consulted	Chart B					Chart C			
	Delegate Agency					Grantee Agency			
FUNCTION	Board	Execut've Director	Head Start Policy Committee	Head Start Director		Board	Executive Director	Head Start Policy Council	Head Start Director
I. PLANNING - Continued									
(f) Establish criteria for selection of children within applicable laws and HEW guidelines	-	-	-	-		A	C	C	B
(g) Develop plan for recruitment of children	A	C	C	B		-	-	-	-
II. GENERAL ADMINISTRATION									
(a) Determine the composition of the appropriate Policy Group and the method for setting it up (within HEW guidelines)	A	B	C	D		A	B	C	D
(b) Determine what services should be provided to Head Start from the CAA Central Office and the neighborhood centers	-	-	-	-		A	B	C	D

A = General Responsibility B = Operating Responsibility C = Must Approve or Disapprove D = Must be Consulted E = May be Consulted	Chart B				Chart C			
	Delegate Agency				Grantee Agency			
FUNCTION	Board	Executive Director	Head Start Policy Committee	Head Start Director	Board	Executive Director	Head Start Policy Council	Head Start Director
II. GENERAL ADMINISTRATION - Continued								
(c) Determine what services should be provided to Head Start from Delegate Agency	A	B	C	D	-	-	-	-
(d) Establish a method of hearing and resolving community complaints about the Head Start program	D	C	A	B	D	C	A	B
(e) Direct the CAA Head Start staff in day to day operations	-	-	-	-	E	A	E	B
(f) Direct the Delegate Agency H/S staff in day to day operations	E	A	E	B	-	-	-	-
(g) Ensure that standards for acquiring space, equipment and supplies are met	A	D	D	B	A	D	D	B

A = General Responsibility
B = Operating Responsibility
C = Must Approve or Disapprove
D = Must be Consulted
E = May be Consulted

	Chart B				Chart C			
	Delegate Agency				Grantee Agency			
FUNCTION	Board	Executive Director	Head Start Policy Committee	Head Start Director	Board	Executive Director	Head Start Policy Council	Head Start Director
III. **PERSONNEL ADMINISTRATION**								
(a) Determine Head Start personnel policies (including establishment of hiring and firing criteria for H/S staff, career development plans and employee grievance procedures)								
Grantee agency- - - - - - - - - - - - - - - - - - - -	-	-	-	-	A	C	C	B
Delegate agency- - - - - - - - - - - - - - - - - - - -	A	C	C	B	-	-	-	-
(b) Hire and fire H/S Director of Grantee Agency	-	-	-	-	A	B	C	-
(c) Hire and fire H/S staff of Grantee Agency	-	-	-	-	E	A	C	B
(d) Hire and fire H/S Director of Delegate Agency	A	B	C	-	-	-	-	-
(e) Hire and fire H/S staff of Delegate Agency	E	A	C	B	-	-	-	-

A = General Responsibility B = Operating Responsibility C = Must Approve or Disapprove D = Must be Consulted E = May be Consulted	Chart B Delegate Agency				Chart C Grantee Agency			
FUNCTION	Board	Executive Director	Head Start Policy Committee	Head Start Director	Board	Executive Director	Head Start Policy Council	Head Start Director
IV. GRANT APPLICATION PROCESS								
(a) Prepare request for funds and proposed work program								
Prior to sending to CAA- - - - - - - - - - - - - - - - -	A	C	C	B	-	-	-	-
Prior to sending to HEW- - - - - - - - - - - - - - - - -	-	-	-	-	A	C	C	B
(b) Make major changes in budget and work program while program is in operation	A	C	C	B	A	C	C	B
(c) Provide information needed for pre-review to Policy Council	A	D	C	B	-	-	-	-
(d) Provide information needed for pre-review to HEW	-	-	-	-	A	D	C	B
V. EVALUATION								
Conduct self-evaluation of agency's H/S program	A	D	B	D	A	D	B	D

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title

This section provides that the legislation may be cited as the "Comprehensive Headstart, Child Development, and Family Services Act of 1972".

Section 2. Statement of Findings and Purpose

This section sets forth the congressional findings concerning the need for child development and family services and the purpose to assist parents who request such services in providing their children with an opportunity for a healthful and stimulating development.

Section 3. Authorization of Appropriations

Subsection (a) authorizes the appropriation of $1.2 billion for fiscal year 1974 and $1.6 billion for fiscal year 1975 for carrying out this Act. Any unobligated amounts at the end of such fiscal year may be obligated in the succeeding fiscal year.

Subsection (b) authorizes the appropriation of $150 million for fiscal year 1973 for the purpose of providing training, technical assistance, planning, and such other activities as the Secretary deems appropriate to prepare for the implementation of this title.

Subsection (c) provides that the amounts appropriated under subsection (a) shall be made available as follows:

> The amount of $500 million shall be for the purpose of providing assistance under title I of this Act for child development programs focused upon young children from low-income families, with priority for Headstart projects.
>
> Up to 15 percent of the amounts which remain thereafter may be made available, as the Secretary of Health, Education, and Welfare deems appropriate, for titles II and III of this Act, but not to exceed 5 percent of such remaining amounts shall be used for title III.
>
> The remainder of the appropriation is to be used for carrying out title I.

Subsection (d) sets forth advance funding authority.

Section 4. Definitions

This section defines terms used in the Act.

TITLE I—HEADSTART, CHILD DEVELOPMENT, AND FAMILY SERVICES PROGRAMS

Section 101. Programs Assisted

This section provides that the Secretary of Health, Education, and Welfare shall provide financial assistance for carrying out child development and family services programs under this title to prime sponsors and to other public and private nonprofit agencies and organizations pursuant to plans, program statements, and applications approved in accordance with this title. The purposes for which financial assistance may be used are set forth in this section.

Section 102. State and Local Prime Sponsors

Subsection (a) provides that a State, a unit or combination of units of general local government of at least 25,000 population or, if less, which demonstrates capability and a particular need, an Indian tribal organization, or a public or private nonprofit agency may be designated as a prime sponsor of child development and family service programs in accordance with the provisions of the legislation upon approval by the Secretary of a prime sponsorship plan.

Subsection (b) provides that the plan must provide for a child and family services council, must provide assurances that staff and other administrative expenses of the council and local program councils and project policy committees will not exceed percent of the total cost of child development programs administered by the prime sponsor (unless increased to reflect higher start-up costs or other special needs), and must provide assurances to provide or to enter into arrangements with appropriate State or local or other agencies for linkages to provide services related to child development.

Subsection (b)(8) provides that, in the case of a State applicant for designation as prime sponsor of areas not served by a local prime sponsor, the plan must also provide for designating local family service areas serving the area of one local government or of units of local government serving not more than 50,000 population unless Secretary allows area of up to 100,000 population. For each local family service area, a local program council must be maintained consisting of at least half parents and the remainder public members appointed by the local government official. These local program councils participate in developing and approve the State's program statement for the area and arrangements for projects in the area.

Subsection (c) provides that any local program council may appeal directly to the Secretary when it alleges a failure to comply with the program statement or the provisions of the Act.

Subsection (d)(1) provides that the Secretary shall approve a satisfactory State prime sponsorship plan for areas not served by local prime sponsors.

Subsection (d)(2) authorizes the Secretary to designate five States to carry out demonstration projects as Statewide prime sponsors, even with respect to localities which would otherwise qualify as local prime sponsors. No State with a population of 5 percent of the national population or more could be so designated.

Subsection (e) provides that the Secretary shall approve a prime sponsorship plan submitted by a city or county or other unit of general local government if it meets the requirements of subsection (a) and has a population of 25,000 or more. The Secretary has discretion to choose either a city or a county as prime sponsor for an area which covers a common geographical area.

Subsection (f) provides that the Secretary shall approve a prime sponsorship plan submitted by a combination of localities if the plan meets the requirements of subsection (a) and has a population of 25,000 or more.

Subsection (g) provides that the Secretary shall approve a prime sponsorship plan submitted by an Indian tribal organization if the plan meets the requirements of subsection (a).

Subsection (h) provides that the Secretary may approve a prime sponsorship plan submitted by a unit or combination of units of general local government or a public or private nonprofit agency if he determines that the plan includes provisions setting forth arrangements for serving children in a neighborhood which is not covered by a prime sponsor or in any portion of an area where the prime sponsor is not satisfactorily implementing child development programs, or for making available special services designed to meet the needs of economically disadvantaged or preschool children. He may also approve such a prime sponsorship plan setting forth arrangements for providing comprehensive child development programs on a year-round basis to children of migrant agricultural workers, or arrangements for carrying out model programs, especially projects for economically disadvantaged, minority group, or bilingual preschool children.

Subsection (i) provides that the Governor of the State shall be given between thirty and sixty days to review and make recommendations on prime sponsorship plans submitted under this section.

Subsection (j) provides that a prime sponsorship plan may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary provides written notice, a reasonable time for corrective amendments or action, and an opportunity for a hearing upon which an appeal to the Secretary may be based.

Subsection (k) provides for review by the court of appeals of the Secretary's final action with respect to prime sponsorship under subsection (j).

Subsection (l) provides that the Secretary shall approve the application of an alternate unit of Government or a public or nonprofit agency or organization in the area representing the interests of minority and economically disadvantaged persons where any unit of general government or other prime sponsor is practicing discrimination against minority group or economically disadvantaged children.

Subsection (m) provides that the Secretary may directly fund programs, including those in rural areas without regard to population, where he deems it necessary, in the event that a State, or unit or combination of units of general local government, or Indian tribal organization has not submitted or the Secretary has not approved a program statement under this section, or where a prime sponsorship designation is not in effect, or where the needs of migrants, preschool-age children, or the children of working mothers or single parents, minority groups, or the economically disadvantaged are not being served.

Section 103. Child and Family Services Councils

Subsection (a) provides that each prime sponsor shall establish and maintain a Child and Family Services Council consisting of not less than 10 members half of whom must be parents of children served in programs under this Act and the remainder of whom are to be appointed by the prime sponsor's chief executive or governing body to represent the public.

(Half of the public representatives must be persons broadly representative of the general public including community agencies and organizations, and the remaining members must be persons who are skilled in child development, child health, child welfare, or other child services.)

Subsection (b) provides that, in accordance with regulations which the Secretary shall establish pursuant to regulations, each prime sponsor shall provide that the parent members of child development councils shall be chosen by the membership of local program councils described in section 102(b)(8), in the case of State prime sponsors, and participants in federally assisted day care programs especially Headstart, in the case of local prime sponsors. Not less than one-third of the total membership of such council shall be persons broadly representative of the economically disadvantaged. The council is entitled to approve program statements, basic goals, policies, actions, and procedures, and the selection or establishment and annual renewal of the administering agency or agencies, for the prime sponsor. The council shall, upon its own initiative or upon request of a project applicant or any other party in interest, conduct public hearings before acting upon applications for financial assistance submitted by project applicants.

Section 104. Program Statements

Subsection (a) provides that financial assistance to a prime sponsor may be provided for any particular fiscal year only pursuant to a program statement approved by the Secretary. Provisions which such program statement are to include are set forth in this subsection. Among these provisions are the requirements that not less than 65 percent of the financial assistance from apportionments under section 3(c)(3) must be used for programs and services for economically disadvantaged children; and that priority thereafter must be given to other children of single parents and working mothers.

Subsection (b) provides that no program statement shall be approved unless opportunities to submit comments to the prime sponsor and to the Secretary have been provided to each community action agency or single-purpose Headstart agency previously responsible for a Headstart program, to the local educational agency and other appropriate educational and training agencies and institutions, and the Governor of the State.

Subsection (c) provides that a program statement may be disapproved or a prior approval withdrawn only if the Secretary has provided written notice, reasonable time for corrective amendments or action, and an opportunity for a public hearing upon which an appeal may be biased.

Subsection (d) provides that the Secretary shall establish procedures to permit prime sponsors to submit jointly a single program statement for the areas served by such prime sponsors.

Section 105. Project Applications

Subsection (a) provides that financial assistance may be provided to a project applicant for any particular fiscal year if the project application is submitted by a public or private nonprofit agency and contains other provisions set forth in this subsection. Among these provisions are requirements that funds be provided only to qualified public or private agencies and that project policy committees be established and maintained. Such project policy committees must consist of not less than 10 members and half must be parents of children served in such projects and the remaining half shall be comprised of persons who are representative of the community approved by the parent members and one person who is skilled in child development. Project policy committees must participate directly in the development and preparation of project applications and have responsibility for approving basic goals, policies, actions, and procedures for the project applicant. The bill provides that no charges be made to families with an annual income equal to or less than $4,320, with adjustments in the case of families with more than two children. Charges for other families may be made in accordance with a fee schedule established by the Secretary based on ability to pay. However, such fees may not exceed 10 percent of the difference between the free services level and 85 percent of the lower living standard budget, and then 15 percent of any income between that level of 85 percent of the lower living standard budget and 100 percent of the lower living standard budget.

Subsection (b) requires that the project application otherwise further the objectives and satisfy the requirements of the prime sponsor's program statement.

Subsection (c) provides that a public or private nonprofit agency which is a prime sponsor shall submit a project application directly to the Secretary.

Subsection (d) provides that a prime sponsor may disapprove a project application only if it provides a statement of reasons to the applicant and that the project applicant may appeal to the Secretary for direct approval thereof.

Subsection (e) provides that a project application submitted to the Secretary by a public or private agency may be approved upon the Secretary's determination that it meets the statutory requirements.

Section 106. Annual Family Service Plans

This section provides that, upon submission of an annual family service plan by any State, the Secretary is authorized to provide financial assistance for carrying out activities for the purposes of determining child development and family service goals and needs, assisting in the establishment of Child and Family Service Councils, and strengthening their capabilities, and arrangements under which State agencies assist in providing child development and related services where requested by prime sponsors in the development and implementation of program statements.

Section 107. Special Cooperative Programs with Educational Agencies and Other Project Sponsors.

This section provides that the Secretary shall use funds made available under section 108(a)(1)(E) to provide assistance to educational agencies and institutions for cooperative programs designed to provide continuity between preschool, after school, and other educational programs.

Section 108. Allocation of Funds.

Subsection (a)(1) provides that, of the amounts available for this title, the Secretary shall reserve the following:

> For apportioning among programs for children of migrant agricultural workers, not less than that proportion of the total amounts available for this title, as the proportion which the number of such children bears to the number of economically disadvantaged;
>
> For apportioning among programs for children on Federal and State Indian reservations, not less than that proportion of the

total amounts available for this title as the proportion which the number of such children bears to the number of economically disadvantaged children;

For special activities for handicapped children, not less than 10 percent of the total amount available for this title; and

For model programs, not to exceed 5 percent of the total amounts available for this title.

For special cooperative programs with educational institutions, not to exceed 5 percent of the total amounts available for this title.

Subsection (a)(2) provides that the amounts remaining after such reservations shall be allocated by the Secretary to the extent practicable so that such funds shall be apportioned among the States and localities within each State as follows: 50 percent in proportion to the relative numbers of economically disadvantaged children, 25 percent in proportion to the relative numbers of children up to age 6, and 25 percent in proportion to the relative numbers of children of working mothers and single parents.

Subsection (a)(3) provides that not to exceed 10 percent of the total funds allotted for use within a State may be made available to the State to carry out its annual family service plan under section 106.

Subsection (b) provides for reapportionment of unused apportionments.

Section 109. Additional Conditions for Programs Including Construction or Acquisition.

This section provides that applications for financial assistance for projects including construction may be approved only if the Secretary determines that construction of such facilities is essential to the provision of adequate child development services, and that rental, lease or lease-purchase, renovation, or remodeling of adequate facilities is not practicable. Federal assistance for construction may not exceed 50 percent of cost in the case of funds to be paid to other than public or private nonprofit agencies and organizations. A maximum of 15 percent of a prime sponsor's total financial assistance may be used for construction.

Section 110. Use of Public Facilities for Child Development Programs.

This section requires reports as to the extent to which facilities owned or leased by Federal agencies and other agencies may be available for child development programs during times when such facilities are not being utilized fully for their usual purposes.

Section 111. Payments.

This section sets forth the Federal share provisions. A Federal share of 90 percent is provided for child development programs ordinarily, but the Secretary has discretion to exceed that percentage and he is required to pay 100 percent of programs for migrants and Indians.

TITLE II—TRAINING, TECHNICAL ASSISTANCE PLANNING, AND EVALUATION

Section 201. Preservice and Inservice Training.

This section authorizes the Secretary to provide financial assistance for preservice or inservice training for professional and nonprofessional personnel.

Section 202. Technical Assistance and Planning.

This section provides that the Secretary shall make technical assistance available to prime sponsors and project applicants to assist them in planning, developing, and carrying out child development programs.

TITLE III—SUPPORTIVE SERVICES AND SPECIAL ACTIVITIES

Section 301. Special Responsibilities of the Secretary.

Subsection (a) provides that the Secretary shall make an evaluation of Federal involvement in child development activities and services. The Secretary must reserve 1 percent, and may reserve up to 2 percent, of the funds under this Act for the evaluations required by this section.

Subsection (b) provides that the Secretary shall carry out research and demonstration projects, including research on the nature of child development processes, research to test alternative methods of providing child development and related services, evaluation of research findings, and the dissemination and application of research and development efforts.

Subsection (c) provides that the Secretary shall give priority in assisting research and demonstration projects to programs carried out by multicounty local development districts under the Appalachian Regional Development Act and the Public Works and Economic Development Act.

Subsection (d) authorizes the Secretary to make grants in contracts with public or private nonprofit agencies to carry out research and demonstration projects under this section.

Subsection (e) authorizes the transfer with the approval of other agency heads, of funds to the Secretary for research purposes under this part, provides that the Secretary shall through the Office of Child Development coordinate all child development research, training, and development efforts conducted within the Department of Health, Education, and Welfare.

Subsection (f) authorizes financial assistance for child development and family service programs for the children of employees of the Federal Government.

Subsection (g) provides that the Secretary of Health, Education, and Welfare shall establish procedures to assure that adequate nutrition services will be provided in child development programs under this Act. Such services shall make use of the special food service program for children as defined in section 13 of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, to the fullest extent appropriate and consistent with such acts.

Section 302. Federal Standards for Child Development and Family Services

This section provides that the Secretary shall promulgate a common set of program standards to be applicable to all programs providing child development services with Federal assistance under this title, to be known as the Federal Standards for Child Development Services. Such standards shall be consistent with the Federal Interagency Day Care Requirements. A special Committee on Federal Standards for Child Development Services, consisting of parents and child development experts, is to be established for the purpose of participating in the development of such standards.

Section 303. Development of Uniform Minimum Code for Facilities.

This section provides for a special committee to develop a uniform minimum code for facilities, to be used in licensing child development facilities dealing principally with matters of health, safety, and physical comfort. Upon approval by the Secretary, standards contained in the code are to be applicable to all projects assisted under this Act.

Section 304. Mortgage Insurance for Child Development Facilities.

This section establishes a program of mortgage insurance for child development facilities, to be administered by the Secretary of Health, Education, and Welfare.

Section 305. Office of Child Development.

This section provides for the Office of Child Development to be the principal agency in the Department of Health, Education, and Welfare for the administration of this title and for the coordination of programs and other activities relating to child development and family service research, training, and development efforts.

Section 306. Special Coordinating Council.

This section establishes by statute the Child Development Research Council.

Section 307. Special Prohibitions.

This section contains administrative provisions of the same kind usually set forth in similar legislation.

Section 308. Withholding of Grants.

This section provides that the Secretary may withhold funds for failure to comply with requirements of this Act after notice and opportunity for a hearing.

Section 309. Federal Control Not Authorized.

This section sets forth the prohibition against Federal control of education.

Section 310. Special Prohibitions and Protections.

This section provides that nothing in this Act shall infringe upon parental rights and directs the Secretary to establish procedures to insure that no child shall be the subject of research or experimentation under this Act unless the child's parent or guardian is informed and has the opportunity to except such child therefrom. This section also provides that the Secretary shall assume that programs providing care outside the home for very young children shall be reviewed periodically and frequently by the Secretary and that no such program shall be approved for assistance unless it is specifically authorized and approved by the Secretary.

Section 311. Repeal or Amendment of Existing Authority and Coordination.

This section provides for repealing, effective July 1, 1975, the authorization for Headstart and provides that where day care authorized elsewhere in the Economic Opportunity Act shall be provided, wherever feasible, through child care programs under this Act.

Section 312. Transitional Authority.

This section permits the Director of the Office of Economic Opportunity to waive allotment and Federal share provisions under title II of the Economic Opportunity Act to relieve hardship resulting from the failure to continue the authorization for Headstart under the current section 222(a)(1) when this Act takes effect.

Section 313. Acceptance of Funds.

This section authorizes the Secretary to accept, for use under this Act, funds appropriated to carry out other laws if such funds are utilized for the purposes for which they are specifically authorized and appropriated.

SUPPLEMENTAL VIEWS OF MESSRS. JAVITS, SCHWEIKER, PACKWOOD, TAFT AND STAFFORD

We support the "Comprehensive Headstart, Child Development and Family Services Act of 1972", which is a bipartisan compromise proposal based upon S. 3228, which we introduced on February 24 with 9 other Republican co-sponsors, and a similar measure contained in S. 3193.

We are pleased that the Committee chose to report this measure separately from the extension of the Economic Opportunity Act, as we urged, so that there will be full opportunity for debate on child development legislation, and the essential extension of our anti-poverty efforts will not be further delayed.

A separate bill, the Economic Opportunity Amendments of 1972, S. 3010, has been reported by the full Committee simultaneously with this measure.

We believe that a legislative framework should be provided for increased educational and other developmental opportunities for preschool and children whose parents request them in order to engage in employment, training, or education or otherwise to enhance the well being of their families.

At the present time there are only 700,000 licensed child care "slots" available in the Nation, while there are five million children of working mothers in families with incomes under $7,000, as well as 2.5 million low-income preschool children whose mothers are not employed. Overall, in 1971, 43% of the Nation's mothers worked outside the home compared with 18% in 1948.

The unfortunate result has been that millions of working mothers and many others who need supplemental educational and other services for their children have been unable to find adequate child development opportunities.

In his message of December 9, 1971, vetoing S. 2007, the Economic Opportunity Amendments of 1971, President Nixon stated that the "laudable" purpose of the child development title had been "overshadowed by": "fiscal irresponsibility, administrative unworkability, and family weakening implications of the system it envisions."

We have sought in this measure, as we did in S. 3228, to meet these specific objections relating to the system established under the vetoed bill.

First, with respect to fiscal responsibility, the Committee bill authorizes $1.2 billion for the first fully operative year, fiscal year 1974, and $1.6 billion in the following year, the same basic authorizations as were contained in S. 3228. This represents a substantial change from the vetoed title, which commenced with an authorization of $2 billion for the first fully operative year.

We consider these amounts to be fiscally responsible both in terms of the extent to which new resources may be effectively channelled through the system each year, and in light of the amounts spent upon remedial programs that attempt to correct the damage inflicted upon many children who lack such opportunities during early childhood.

Second, the bill contains a number of new provisions, many of which were adopted from S. 3228, to ensure its "administrative workability"; they include provisions:

- Requiring that any city, county, or combination of local units of general government applying as prime sponsor serve a population of 25,000 or more persons as well as meet certain substantive criteria. Under this provision it is estimated that the Secretary would designate less than 2,000 prime sponsors, compared with 7,000 sponsors under the vetoed bill, which had a minimum population requirement of only 5,000. Importantly, state governments will serve as prime sponsors for areas of the State for which a local prime sponsor does not qualify;
- Giving state and local prime sponsors clear administrative responsibility for conducting the programs. Under the vetoed bill, the lines of administrative responsibility between the prime sponsors and the child development councils established were unclear. The Committee bill limits the role of such councils to approving certain basic actions taken by the prime sponsor;
- Providing for "annual family service plans" to be submitted by State governments, in conjunction with local prime sponsors, to ensure statewide coordination and maximum utilization of resources; and
- Ensuring coordination with other efforts for children, including those conducted in the schools.

These provisions also will ensure a substantial role for State governments, which the President described as "insignificant" under the vetoed bill.

Third, in terms of family strengthening aspects, the bill contains a number of elements to which we contributed to ensure that child development programs will serve to strengthen the family. These include provisions:

- Emphasizing that child development services are voluntary, that is provided only at the request of parents who choose to use them and not as a matter of universal application;
- Providing a greater number of options to parents, ranging from full or part day services in centers to in-home services, in each case considered supplemental to family efforts;
- Emphasizing the provision of child related services to other members of the family, such as prenatal care, so that child development centers will be family centers; and
- Providing for the involvement of parents in programs.

Importantly, at least half of the membership of councils to be established at the prime sponsorship, area and project level are to be parents of children enrolled in child development programs.

In our opinion, these provisions distinguish the programs contemplated under the Committee bill from the state run compulsory system which exists in other countries.

We support the basic fee schedule provisions of the Committee bill, worked out with the Administration last year, under which free services would be provided to families with incomes up to $4320 for a family of four, with modest fees between that level and $7214, the so called Bureau of Labor Statistics "lower living standard". The Secretary would establish the fee schedule for families with incomes above that level.

Significantly, the Committee bill includes an additional provision from S. 3228 to ensure that any schedule established by the Secretary will permit continued participation as income rises, and that prime sponsors may request permission to charge fees below those prescribed in order to meet special local circumstances.

We also note that the bill authorizes greater funding for training than S. 2007, an aspect which the President considered deficient.

In conclusion, we believe that the Committee bill represents a viable means of implementing the objective, which the President articulated so well in February 1969, when he said:

> So crucial is the matter of early growth that we must make a national commitment to providing all American children with the opportunity for a healthful and stimulating development during the first five years of life.

We urge that the Committee bill be approved by the Congress and signed into law so that the Nation's commitment to full opportunity may be implemented fully.

Jacob K. Javits.
Richard S. Schweiker.
Bob Packwood.
Robert Taft, Jr.
Robert T. Stafford.

INDIVIDUAL VIEWS OF MR. DOMINICK

My vote to report this bill to the full Senate for consideration is
intended as recognition of the principle of child development. Cer-
tainly our nation's most important national resource is its children.
My vote does not, however, represent agreement with the mechanics
of the delivery system of this bill.

I intend to rectify before the full Senate, as I have tried before the
Committee, the areas in which I feel this bill is deficient. Approxi-
mately ten months ago, in my supplemental views published in this
Committee's report on S. 2007, the Economic Opportunity Amend-
ments of 1971, I outlined my objections and these points were reaf-
firmed by the President in his veto message last December. These
shortcomings must be corrected to insure that the intended benefici-
aries, our children, receive the highest possible quality programs.

The level of expenditures authorized in S. 2007, $2.1 billion over a
two year period, was objected to as "fiscal irresponsibility." This ob-
jection is not satisfied by authorizing as this bill does, the expenditure
of $2.9 billion over a three year period, an increase of $800 million,

Mr. Jule Sugarman, the Administrator of New York City's Human
Resources Administration and former Director of Project Headstart,
testified that total annual increases in expenditures for child develop-
ment should be held to a maximum of $300 million. This limit was
justified on the basis that presently there is not a sufficiently large
number of qualified, competent personnel to either staff and run the
programs or train others for this task. Inherent in gearing up for a
program of this magnitude is a timelag for training competent staffs
to whom our children would be entrusted.

S. 2007's system of prime sponsorship was characterized as "creating
a new army of bureaucrats" with its minimum population requirement
of 5,000 and consequent number of potential grantees of 7,000. While
this bill increases the population requirement to 25,000, the figure is
still too low. The number of potential grantees is reduced to 2,100,
but in light of the President's admonition that Headstart with fewer
that 1,200 grantees presents a very difficult management problem, the
minimum population requirement for prime sponsorship must be set
at 100,000. This requirement would reduce the number of eligible
sponsors to 484 and bring the program within the realm of administra-
tive workability.

In this regard, Mr. Sugarman also testified in support of and urged
a minimum population requirement of 100,000 to facilitate federal
administration, to assure a sufficiently large population which would
permit the offering of a variety of programs, and to insure against
unreasonable overhead costs.

This bill structures various levels of councils and committees which
are operational as opposed to advisory. Because of the authority
resposed in the councils and committees, the child development
programs will become the victims of a self-generating bureaucratic
quagmire (see attached chart). As presently structured, a prime

sponsor must establish a Child and Family Services Council, and each project applicant must establish a project policy committee. In addition, in the unlikely event that a state is selected as a prime sponsor, the state must designate family service areas with a maximum population of 50,000 and establish a local program council for each of those areas. The Child and Family Services Council and the Project Policy Committees must have at least 10 members. There is no guidance as to the number of members serving on the local program councils. The Child and Family Services Council shall be made up of one-half parents of children served by the programs (with varying requirements for appointment depending on who is the prime sponsor), and one-half public members appointed by the appropriate governing body (except that these must be selected from groups listed in the bill). The procedure for appointing the local program councils required when the state is the prime sponsor is equally as confusing. The local project policy committee parent members have the additional power to and must approve of the public members appointed to the Committee.

Even if the prime sponsors are able to wade through this morass of confusion and succeed in establishing these councils and committees, they will be hamstrung by the authority given to the councils and committees. Even though the prime sponsor is charged with the responsibility for developing and preparing an annual program statement, which incidentally has twenty-one requirements, and selection and establishment of administering agencies, the Child and Family Services Council must approve program statements, basic goals, policies, and procedures and the selection or establishment and annual renewal of administering agencies. Each local program council must approve of that portion of the program statement affecting its local service area, and must approve of all contracts for program operations. In addition, the *local* program council can appeal directly to the Secretary if it feel that the prime sponsor has failed to comply with the program statement. The project policy committee for each project application has the responsibility for planning, overall conduct, personnel, budgeting, location of centers, and facilities, direction and evaluation of projects and must approve basic goals, policies, actions and procedures for each applicant.

Operational authority must be clearly lodged in the prime sponsor and the various councils and committees should be advisory in nature. While parents should definitely have a voice in the operation and direction of the programs, that voice should not be so amplified that it shatters the operational responsibility of the prime sponsor who must deliver quality programs. This bill submerges the prime sponsor in a bureaucratic morass of councils and committees.

The earlier objection to S. 2007 that the states were relegated to an insignificant role is not satisfied in this bill by reducing the number of prime sponsors and increasing the reservation for annual state plans. This can only be satisfied by giving the Secretary the discretion to choose among competing state and local prime sponsors solely on the basis of maximizing the benefits flowing to the children. The Secretary should be allowed to choose the applicant who can most effectively accomplish the objectives of this bill. This would give the Secretary the same discretion conferred by this bill to choose among competing local prime sponsors.

Contrary to the Committee's position, describing the Secretary's discretion to choose a prime sponsor when the applicant "has the capability of effectively carrying out comprehensive programs . . . and has submitted a satisfactory prime sponsorship plan . . ." does not grant the Secretary sufficient discretion. Use of the words "capability" and "satisfactory" militates in favor of local prime sponsors. "Capability" infers bare, unsubstantiated and unsupported urging by the applicant. "Satisfactory" is not the standard I would urge nor accept against which Child development programs should be adopted.

The clear inference is that local prime sponsors will be selected if they meet the minimum requirements of the bill. This is a degradation of the entire child development concept.

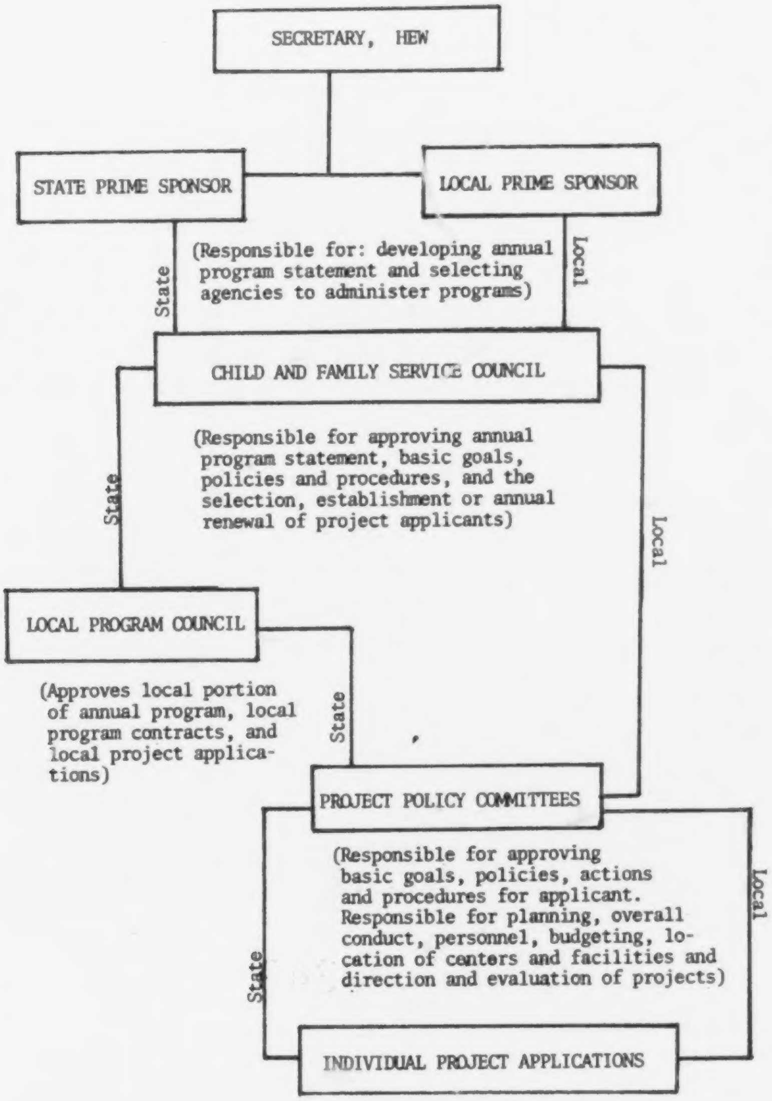
The proposed five state demonstration addresses itself to this objection. The Secretary could designate as sponsors, five states which have submitted prime sponsorship applications and could then observe and compare the operation, development and effectiveness of the child development programs under both state and local prime sponsorship.

However, the potential promise of this proposal is seriously jeopardized by excluding certain states from selection as prime sponsors because they have in excess of 5% of the country's total population. This injects a large measure of unnecessary pre-conceived bias in the test.

The Secretary should be allowed to choose freely whichever states could best serve as test models, whether large or small. This would provide a base of comparison upon which a choice as to prime sponsorship could be intelligently based, as opposed to selection based on unsupported predilection and conjecture.

If the concern is only with delivering the highest quality programs possible to our country's children, the test proposal free of any population impediments, should be enthusiastically supported.

My objections are directed at those deficiencies in the delivery mechanism which detract from and downgrade the programs. My motivation is to maximize the benefits flowing to the children. The quality of the programs being made available must be the sole criteria against which the delivery system is judged. I am hopeful that the Senate will be persuaded to correct these shortcomings when the problem is viewed in this perspective.


SECRETARY, HEW
STATE PRIME SPONSOR
LOCAL PRIME SPONSOR
(Responsible for: developing annual program statement and selecting agencies to administer programs)
State
Local
CHILD AND FAMILY SERVICE COUNCIL
(Responsible for approving annual program statement, basic goals, policies and procedures, and the selection, establishment or annual renewal of project applicants)
State
Local
LOCAL PROGRAM COUNCIL
(Approves local portion of annual program, local program contracts, and local project applications)
State
PROJECT POLICY COMMITTEES
(Responsible for approving basic goals, policies, actions and procedures for applicant. Responsible for planning, overall conduct, personnel, budgeting, location of centers and facilities and direction and evaluation of projects)
State
Local
INDIVIDUAL PROJECT APPLICATIONS

INDIVIDUAL VIEWS OF SENATOR J. GLENN BEALL, JR., ON CHILD CARE BILL

I joined in voting this bill out of Committee because, although it still has administrative deficiencies, it represents a substantial improvement of the legislation vetoed by the President last year. Early childhood programs certainly need and deserve careful legislative consideration. By separating this bill from the extension of the poverty program, the Committee was able to give both programs closer examination and this contributed to the improvements made in the legislation.

I am pleased that the Committee adopted the following amendments that I offered.

First, an amendment was added to the section authorizing research and development projects by the Department of Health, Education, and Welfare that would provide for testing preschool programs, emphasising reading and reading readiness. Reading is the single most important key to learning. Research indicates that we have underestimated the potential of the early learning years. While the factors contributing to a child's inability to read are numerous and complex, we need to study the impact of early intervention and attention on the reading problem through emphasis on vocabulary development, the automatic use of linguistics forms, and other reading readiness and reading programs in preventing reading difficulties of children.

Secondly, an amendment was adopted encouraging preventive medicine and the techniques and technology including multiphasic screening and testing to improve the early diagnosis and treatment of diseases and learning disabilities of preschool children. This legislation rightfully requires attention to the health problems of children, for good health is essential to good learning. Yet we know this is expensive. We must pursue and experiment with new techniques and technology to see if we can improve our diagnosis of the health problems of children and do so at lower costs. This amendment encourages the pursuit of these objectives.

Third, an amendment placing a limitation on the staff and administrative expenses for the Child and Family Services Council and local program councils and project policy committees to 5% of the total cost of child development programs administered by the prime sponsor. The intent of this proposal is to assure that as large a percentage of the funds as possible will reach the real objectives of the legislation, namely, programs actually serving children.

Fourth, an amendment allowing the Secretary to turn over the entire administration of programs to the five States. A State to be selected must have demonstrated leadership and capabilities in the field of child development.

On the latter point, I must add a few comments. The President has repeatedly asked the Congress for revenue sharing and other programs designed to strengthen State and local governments. Despite these Presidential urgings, and the evidence indicating that programs administered from Washington are not as effective as they should be, the Congress has not as yet faced up to this issue and brought about the necessary reforms.

The reason often given is the fear of what would happen to the program in a few States if such action were taken. This is, of course, legislating to the lowest common denominator, rather than trying to achieve the highest quality available. I advocate consideration of a different approach. Rather than having the policies and inadequacies of a few States prevent all States from running their programs, we should encourage and reward excellence in various areas by at least turning over the administration of programs to those States with excellent programs. Competition stimulates efficiency and economy in the private sector; competition between States to be selected for this honor could stimulate similar results in the governmental sector. An added advantage is that such a program would help eliminate some of the red tape and paper shuffling that characterizes some Federal agencies today and enable such agencies to concentrate on providing the technical and other assistance needed by weaker States in various program areas. My amendment would allow five States to serve as prime sponsors. Regretably, the Committee adopted an amendment to my proposal; the effect of which is to eliminate the most populous States from having the opportunity to administer child development programs.

I cannot understand the rationale for such restriction. It seems both bad policy and bad principle and an insult to those excluded States. The merits of a State's program not its population should determine eligibility under this demonstration program.

Last year, my colleagues will recall, the State of Maryland felt that the Federal legislation would "sabotage" its program. The President vetoed that measure and as a result we have produced a better bill and hopefully additional improvements will be made as the bill continues through the legislative process.

Also, the reported bill raises the eligibility level for a prime sponsor from 5,000 to 25,000. This action reduced the number of prime sponsors from 7,000 to 2,000. While this improves the delivery system and the workability of the program, the number of prime sponsors may still cause management difficulties.

Finally, the early learning years under proper programs holds greater promise in stimulating the educational development of children. On the other hand, these sensitive years under the wrong program hold potential for equally great abuse. The Committee added special prohibitions to guard against some of these potential abuses. I am hopeful that these prohibitions, together with the vigilance and involvement of parents will make certain that the positive aspect of early childhood programs will be maximized and the potential abuses prevented.

○